



09 March 2022

Committee Secretary
Senate Legal and Constitutional Affairs Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: legcon.sen@aph.gov.au

Dear Secretary

Inquiry into the *Migration Amendment (Protecting Migrant Workers) Bill 2021*

We apologise for the time it has taken us to respond to the question which was taken on notice from Senator Van in the above inquiry, and in particular the requirements of major supermarket retailers' for their fruit and vegetable suppliers to have their labour practices independently audited and certified.

In response, we can confirm that Coles, Woolworths and ALDI all require their suppliers to have the relevant certification through a recognised body such as FairFarms or SEDEX. We enclose a copy of each of the relevant policy documents.

In short:

- Woolworths' policy regarding these matters is expressed in the 'Woolworths Group Responsible Sourcing Standards', where it stipulates that all suppliers are required to comply with relevant laws, rules and regulations. The standards require verification of a supplier's compliance with ethical workplace practices through audit frameworks including FairFarms, SEDEX or other providers. To participate in the auditing process, growers must register and complete a self-assessment.
- Coles' 'Ethical Sourcing – Supplier Program Requirements – Goods for Resale' includes an outline of the process their growers/suppliers must adopt. Part of this process requires the supplier to possess current membership of SEDEX or FairFarms. There is then a risk management process and an audit to verify compliance with the framework.
- ALDI also require the use of SEDEX or FairFarms certification through their primary policy document 'Social Standards in Production'. The policy does not expressly state a requirement like Coles and Woolworths. However, these certifying organisations are listed as "key business partners" of ALDI.

Although industry bodies such as the NFF, AUSVEG, Growcom, and others have worked with the retailers to ensure the implementation of these policies are rational and fair, in general terms we support the supermarkets requirements in this regard.

If you have any questions or wish to discuss this further, please do not hesitate to contact

Yours sincerely

Ben Rogers
General Manager, Workplace Relations and Legal Affairs.

Copy to: Senator David Van, Senator for Victoria
via email senator.van@aph.gov.au



ALDI “Social Standards in Production”

The ALDI “Social Standards in Production” define our commitment to human rights and fair labour standards. They are based on:

- the United Nations Universal Declaration of Human Rights,
- the United Nations Convention on the Rights of the Child,
- the United Nations Convention on the Elimination of All Forms of Discrimination against Women,
- the International Labour Organization (ILO) Conventions, and
- the OECD Guidelines for Multinational Enterprises.

We expect our suppliers and business partners to comply with all applicable local laws as their first obligation. Where local laws and regulations conflict with or set a different standard of protection to the international standards, such as applicable ILO or United Nations Conventions, our business partners shall abide by the principles that provide the highest protection to the workers and environment.

Our business partners must respect the workers’ rights to freedom of association and collective bargaining. Workers’ rights include the right to elect representatives or, where permitted by national law, the right to form and join trade unions of their choice and to bargain collectively. We do not tolerate discriminating practices against workers because of a trade union membership.

We will not tolerate any form of discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on gender, age, religion, race, caste, social background, ethnic and national origin, disability, nationality, membership of workers’ organisations, political affiliation, sexual orientation, or any other personal characteristics. Workers shall not be harassed or disciplined on any of the grounds listed above.

As a minimum, our suppliers and business partners shall comply with the wages mandated by the government’s minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher. The use of overtime is intended only as an exception, voluntarily, and paid at a premium rate. Wages are to be paid in a timely manner, regularly, and fully in legal tender. The level of wages is to reflect the skills and education of workers and shall be based on regular working hours.

We expect our suppliers and business partners to establish and follow a clear set of standards and procedures regarding occupational health and safety. Suppliers and business partners shall ensure the stability and safety of equipment and buildings, as well as the protection of workers against any foreseeable emergency.

Before entering into employment, business partners are to provide workers with understandable information about their rights, responsibilities, and employment conditions. Workplace practice and conditions which violate basic human rights are not tolerated.

We will not tolerate child labour as defined by ILO and United Nations Conventions and/or by national law, whereby underage workers shall be no younger than 15 years of age, unless the exceptions recognised by the ILO apply. We expect our business partners to adhere to those standards/laws which are most stringent.

We expect our business partners to ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals, and development.

We do not tolerate any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour. All disciplinary procedures must be in compliance with local laws, be established in writing, and must be explained verbally to workers in clear and understandable terms. The use of corporal punishment, mental or physical coercion, and verbal abuse is forbidden.

Procedures and standards for waste management, handling and disposal of chemicals and other dangerous materials, emissions and effluent treatment must meet or exceed legal requirements. All local and national environmental regulations and relevant provisions of the ALDI CR Principles and environmental standards must be met.

We expect our business partners to act with due diligence and develop the necessary management systems, policies and processes to a reasonable extent as well as effectively prevent and address any human rights impacts that may be detected in the supply chain.

We do not tolerate any act of corruption, extortion, embezzlement, or bribery - including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive. We expect our suppliers and business partners to maintain accurate records and information regarding their activities, structure, and performance, and to disclose these in accordance with applicable regulations and industry benchmark practices.

These ALDI "Social Standards in Production" reflect our minimum requirements, which we strive to exceed wherever possible. We expect all our suppliers and business partners to adhere to these standards and further specific requirements which go beyond these standards and which have become part of the contractual relationship. Our suppliers and business partners are expected to apply these standards to all sub-suppliers throughout the entire production process.

Legal notice

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Ethical Sourcing

Supplier Program Requirements – Goods For Resale

1. Purpose

Our Ethical Sourcing Policy (**Policy**), together with our Ethical Sourcing Supplier Program Requirements (**Program Requirements**) set out our expectations of suppliers regarding labour rights, human rights, environment, health and safety, and business integrity.

We monitor supplier compliance with our Policy through our Ethical Sourcing Program (**Program**). Our Program is designed to help identify and mitigate human rights and labour risks that exist within our supply chain and remediate or address issues where they are found.

At Coles, we believe that if people are harmed, there is a duty of care on those involved to address the issue. Coles has a Remediation Framework which sets out the core principles Coles adheres to, and expects its suppliers to adhere to, for providing effective remediation of human rights and ethical sourcing issues.

2. Program Scope

Ethical Sourcing Program Scope

We have a complex supply chain with thousands of suppliers that have a direct trading relationship with us, and thousands more within our extended supply chain.

To ensure our work has impact we take a risk-based approach to supplier management. We focus our Program on suppliers where there is a higher likelihood of human rights and labour rights violations occurring and where we have greater leverage to influence change where required.

We use a supplier segmentation approach based on inherent risk and leverage to determine which suppliers and tiers of our supply chain are in scope for the Program. More information on this process is outlined in Appendix 1.

For the purpose of the Requirements, 'Supplier' is defined as:

- a direct Vendor to Coles; and/or
- a site involved in packaging or manufacturing a product to its final retail form

In-scope Suppliers are listed in **Table 1** below:

Table 1: Coles Ethical Sourcing Program Scope

Business Area	Category	Production Tier
Supermarkets and Coles Express	Own Brand	Direct vendors (Tier 1)
	Fresh Produce (unprocessed fruit vegetables and flowers including those bearing a proprietary brand label)	Packing / manufacturing to final retail form (Tier 2)
Liquor	Own Brand, Export	Direct vendors (Tier 1)
	Exclusive	Bottling sites (Tier 2)
Goods Not For Resale (GNFR)*	Suppliers of high-risk services (including but not limited to Trolley Collection, Cleaning, Security)	Direct vendors (Tier 1)
	Suppliers of goods branded with a Coles name, goods built to Coles customised specifications	Sub-contractors (Tier 2) (in selected circumstances)
	Suppliers with operations in high risk Countries	

* This document sets out program requirements for Goods For Resale suppliers only (i.e. Supermarkets, Coles Express and Liquor). Refer to the *Program Requirements – Goods Not For Resale* document for information specific to GNFR suppliers.

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Supplier Program Requirements – Goods For Resale

3. Risk Assessment and Management

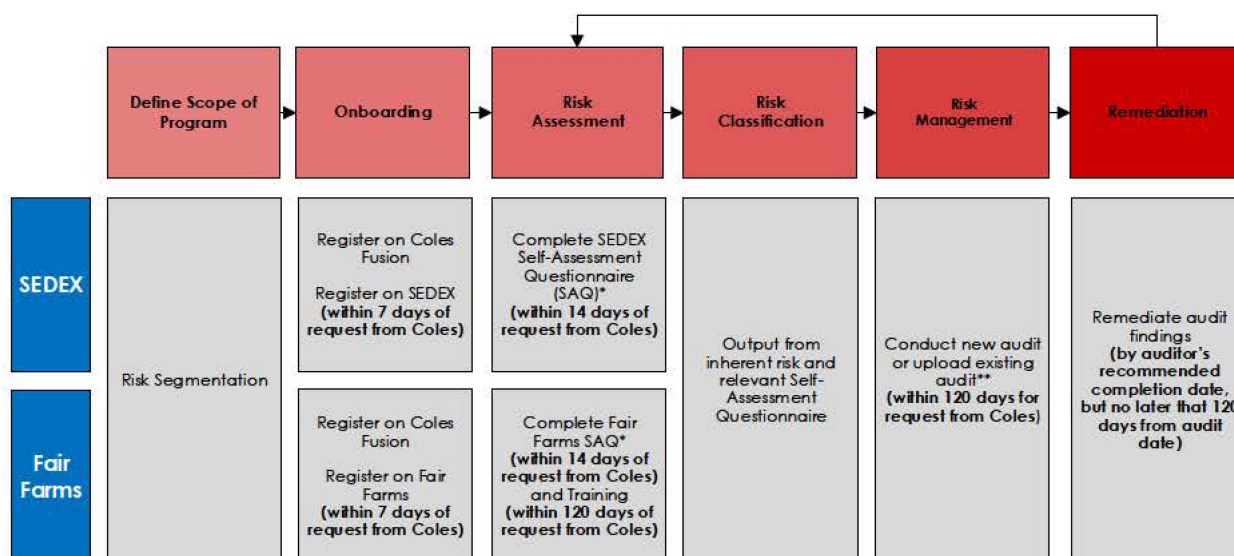
Assessing Risk

Coles assesses ethical sourcing risk by gathering information on company-specific practices, through site risk assessment questionnaires and inherent risk evaluation, and through external sources and supplier performance. The combination of company risk and inherent risk is used for classification of risk.

Risk is assessed and managed using specialised data sharing platforms such as SEDEX or Fair Farms. Suppliers are required to register to one platform, which will be determined depending on the type of good or service provided to Coles. Further information on platform alignment is detailed in **Appendix 1**.

The process for assessing risk under each platform is outlined in the diagram below.

Table 2: Coles' Risk Management integration with external platforms



* Completion of SEDEX and Fair Farms Self-Assessment Questionnaires are annual requirements as is completion of Fair Farms training.

** Audit type and frequency will be determined according to Coles' risk classification and management process or Fair Farms Certification Requirements.

Classifying Risk

Suppliers who are part of the Program are required to update their supplier information on a regular basis to support ongoing review of risk (for example by reviewing and updating their risk assessment questionnaire in one of the assigned platforms). Suppliers are assigned a risk rating based on factors such as:

- inherent country or sector risk;
- specific responses to the risk assessment questionnaire;
- substantiated labour or human rights violations;
- unsubstantiated but persistent claims of labour or human rights violations; and/or
- poor program compliance history.

Risk information is for Coles' internal reference only.

Managing Risk

Risk management activities will vary based on a supplier's risk rating. In addition to completion of a risk assessment questionnaire, Coles may, at its discretion, require an independent audit as a means of assessing compliance with

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the Ethical Sourcing Policy. The frequency of audits may vary between immediately unannounced and every 12 to 36 months at Coles' discretion. Coles will advise requirements in advance where relevant.

If a supplier is unwilling to work with Coles to address compliance issues under our Policy and Requirements, or refuses to participate in the program, we reserve the right to exercise any termination rights available and/or otherwise cease engagement with that supplier.

4. Program Compliance Requirements

Coles' Supplier Approval Process

Supply to Coles can only commence once the supplier is compliant with the Ethical Sourcing Program. Coles will determine whether a new supplier is Approved, Conditionally Approved or Not Approved based on the Risk and Audit Assessment metrics in **Table 3**.

Suppliers, both new and existing, will only be awarded business at Coles if their Ethical Sourcing Approval Status is either Approved or Conditionally Approved. Business will not be awarded to suppliers if their Ethical Sourcing Approval Status is Not Approved.

To be deemed compliant, suppliers must meet four key program requirements:

1. **Membership:** Supplier and associated sites are registered on SEDEX or Fair Farms, membership is current, and the supplier's account is linked to Coles to allow visibility.
2. **Risk assessment:** Risk assessment questionnaire has been fully completed within the last 12 months.
3. **Audit:** Audit has been booked and completed within required timeframes (if required).
4. **Remediation:** Audit non-conformances have been closed out by the auditor's deadline date, and no later than 120 days post-audit.

Fresh Produce suppliers on the Fair Farms Program must attain Fair Farms Certification to obtain an Approved status.

At its discretion, Coles may designate a supplier as Not Approved based on circumstances outside of the above criteria. Examples include:

- A supplier with the following types of non-conformances as identified in Coles or third-party audits:
 - Human rights violations
 - Labour rights violations
 - Health and safety violations
 - Environmental violations
- A supplier has substantiated human rights/labour violations
- A supplier has unsubstantiated but persistent claims of human rights/labour violations
- A supplier fails to remedy previously identified non-conformances

Coles, at its discretion, may make changes to a supplier's approval status based on the individual circumstances of the supplier.

Derogation of program requirements

In exceptional circumstances, Coles may agree to provide a supplier with additional time to complete a program requirement (e.g. remediate a non-conformance). This is referred to as derogation and permits the supplier to continue trade activity with Coles while the issue is being resolved.

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Table 3: Coles Ethical Sourcing Supplier Approval Criteria

Approval Status	Criteria
Approved	SEDEX suppliers: Suppliers that meet all program requirements: <ul style="list-style-type: none"> • Supplier and associated sites are registered on SEDEX and membership is current • Supplier and site accounts are linked to Coles to allow visibility • Risk assessment questionnaire has been completed to 100% within the last 12 months • Audit has been booked and completed within required timeframes (if required) • Audit non-conformances have been closed out by the auditor's deadline date, and no later than 120 days post-audit
	Fair Farms suppliers: Suppliers that meet all program requirements and are Certified by Fair Farms
Not Approved	Membership / registration: <ul style="list-style-type: none"> • Suppliers who are not registered on SEDEX or Fair Farms • Suppliers with a lapsed SEDEX membership • Suppliers who have not linked their SEDEX account to Coles • Suppliers whose Fair Farms Certification has lapsed • Suppliers who do not meet the required timelines to obtain their Fair Farms Certification
	Risk assessment questionnaire: <ul style="list-style-type: none"> • Suppliers who have not renewed their risk assessment questionnaire within the last 12 months
	Audit: <ul style="list-style-type: none"> • Suppliers who do not complete an audit in accordance with the audit cycle stipulated by Coles
	Audit non-conformances: <ul style="list-style-type: none"> • Suppliers with overdue Major, Critical or Business Critical non-conformances
Conditionally Approved	Membership / registration: <ul style="list-style-type: none"> • Fresh Produce suppliers in the process of obtaining their Fair Farms certification in accordance with specified timelines
	Audit: <ul style="list-style-type: none"> • Suppliers with an audit booking confirmed by the certification body, within 120 days of their risk assessment questionnaire completion
	Audit non-conformances: <ul style="list-style-type: none"> • Suppliers with open Major, Critical or Business Critical non-conformances • Suppliers with approved and communicated derogation on findings
	Other: <ul style="list-style-type: none"> • Suppliers with an approved extension to resolve outstanding actions

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Supplier Program Requirements – Goods For Resale

Coles' Ethical Audit Standards

Based on Coles' assessment of risk, suppliers may be required to conduct an onsite audit. In this case, Coles will assign the supplier to an audit schedule, requiring an audit to be completed at regular intervals. Typically, a supplier should expect to be audited at a frequency ranging from 12 to 36 months. Audits will be conducted by Coles or a third party, are to be paid for by the supplier and should be budgeted to occur on an annual basis. Costs will vary based on factors such as the location of the site or number of employees, however suppliers can contact an Association of Professional Social Compliance Auditors (APSCA) member firm (see Auditor qualifications section for link) to get an indication of costs.

The audit must:

- be conducted in accordance with the audit schedule communicated by Coles;
- be conducted by a third-party auditor;
- be in a format approved by Coles; and
- be uploaded to SEDEX or Fair Farms by the auditor within two weeks of completion with visibility granted to Coles.

The below table identifies the audit formats that are approved by Coles for new and existing suppliers:

The below audit formats are approved by Coles

- SEDEX SMETA 4-Pillar
- Fair Farms*

** Fair Farms acceptance is contingent upon the supplier granting visibility to the full audit report.*

Auditor qualifications

To ensure the highest level of quality and to uphold best practice standards, audits must be carried out by a qualified representative of a third-party audit firm who is a member of the Association of Professional Social Compliance Auditors (APSCA) program. A list of member firms can be found on the APSCA website at <https://www.theapsca.org/apsca-member-firms/>

Mutual recognition of audits (new suppliers)

For new suppliers that have already completed an ethical audit prior to being awarded business by Coles, Coles may accept specific audit formats as compliant under a mutual recognition agreement.

The audit must:

- have been conducted or certified within the last 12 months;
- as a minimum, cover Labour Standards and Health and Safety Standards;
- be uploaded to SEDEX by a qualified auditor (if the supplier is using SEDEX) and have all non-conformances listed as findings on the SEDEX platform; and
- have all Business Critical, Critical and Major non-conformances verified by an auditor and closed within the auditor-given deadline (which must not exceed 120 days from the date of the audit).

Mutually accepted audit formats are valid for 12 months from the original date of being conducted and are only accepted for a site's first audit with Coles. At the point of expiration, a SMETA 4-Pillar Audit or Fair Farms Audit must be conducted.

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The below table sets out the types of audits that are accepted under mutual recognition for new suppliers:

The below audit formats are accepted under mutual recognition for new suppliers

- ICTI (International Council of Toy Industries)
- SA8000
- WRAP (Worldwide Responsible Apparel Production)
- BSCI (Business Social Compliance Initiative)*

** At the discretion of the Coles Ethical Sourcing team, additional audit formats may be recognised.*

** A condition of consideration of BSCI under mutual recognition is that the report and audit findings must be uploaded onto the SEDEX platform.*

5. Consultation and feedback

The Ethical Sourcing Policy and Ethical Sourcing Supplier Program Requirements are reviewed annually in consultation with stakeholders to align with changes in regulations and reflect best practice. Through these engagements, we seek feedback on how well the policies and procedures work in practice.

To provide feedback regarding Coles' Ethical Sourcing Program Policy or Supplier Program Requirements, please contact the Coles Ethical Sourcing team at EthicalSourcing@coles.com.au.

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Supplier Program Requirements – Goods For Resale

Appendix 1: In-Scope Suppliers and Risk Assessment and Management Framework

Supplier Segmentation

We know that human rights and labour rights violations are more likely to be found in some areas of our supply chain than others. We take a risk-based approach to managing our supply chain, focusing our resources on areas with a greater likelihood of labour and human rights issues and where Coles has leverage to affect change.

The supplier segmentation approach determines which suppliers are in scope for the program for a selected business unit.

Inherent Exposure

Inherent exposure is the risk to people, or the likelihood of an adverse labour/human rights violation occurring within a given supplier's operations. There are two different dimensions that determine inherent exposure, Country and Category/Product.

Leverage

Leverage refers to the ability Coles has to influence change for a given supplier and is determined by ownership, spend, length of relationship and exclusivity.

Based on supplier segmentation, we have determined which suppliers are in scope for Coles Ethical Sourcing Program as listed in **Table 4**. Further suppliers within our supply chain will be included as our program progresses.

Risk Assessment and Management Framework

At Coles, we require in scope Suppliers to adopt a pre-defined Risk Assessment and Management Framework. These include but are not restricted to: SEDEX, Fair Farms, Ariba and StaffSure.

The external platforms chosen are targeted to specific goods and services. SEDEX (Supplier Ethical Data Exchange) is an international platform that can be used to conduct and store risk assessment and management activity, including audits, and it is used to determine some of the Inherent Risk metrics used by Coles.

Fair Farms is an Australian Ethical Sourcing Certification platform that includes risk assessment, training and auditing activity. This platform is accepted for Australian suppliers of Fresh Produce items as defined in **Table 4**.

For Goods Not For Resale (GNFR), the initial Risk Assessment is completed in Ariba during supplier registration. In selected instances, based on the initial risk assessment outcome, GNFR suppliers may be required to also register on SEDEX or an alternate third party platform.

Suppliers who are part of our Program will be subject to the following four principles: Assessment, Classification, Management and Remediation as part of Coles Risk Assessment and Management Framework.

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Supplier Program Requirements – Goods For Resale

Table 4: Coles Ethical Sourcing Program Scope

Business Area	Category	Production Tier	Justification	Risk Assessment	Risk Management
Supermarkets and Coles Express	Own Brand	Direct vendors (Tier 1)	Leverage: high, brand ownership	SEDEX	Ethical Audit
	Fresh Produce (unprocessed fruit vegetables and flowers including those bearing a proprietary brand label)	Packing / manufacturing to final retail form (Tier 2)	Inherent exposure: manufacturing operations are largely in medium risk countries	SEDEX	Ethical Audit
			Leverage: high level of association with the Coles Brand	Fair Farms	Fair Farms
			Inherent exposure: labour hire structure, increased risk of forced labour due to high use of migrant labour, product and country risk.		
Liquor	Own Brand, Export	Direct vendors (Tier 1)	Leverage: high, brand ownership	SEDEX	Ethical Audit
		Bottling sites (Tier 2)	Inherent exposure: manufacturing operations are largely in medium risk countries		
	Exclusive		Leverage: exclusivity		
			Inherent exposure: manufacturing operations are largely in medium risk countries		
Goods Not For Resale (GNFR)*	Suppliers of high-risk services (including but not limited to Trolley Collection, Cleaning, Security)	Direct vendors (Tier 1)	Leverage: ownership of commercial relationship	Ariba	Ethical Audit
	Suppliers of goods branded with a Coles name, goods built to Coles customised specifications	Sub-contractors (Tier 2) (in selected circumstances)	Inherent exposure: high risk activities and/or Countries.	SEDEX (pending initial risk assessment)	Labour Hire Licensing Scheme (State requirement)
	Suppliers with operations in high risk Countries				Staff Sure



Responsible Sourcing Standards

Introduction

Standards Overview

Management Systems

Social and Labour Standards

Environmental Standards

Additional Standards (If applicable)



SUMMARY OF STANDARDS

Compliance with Local Laws

1. Business Integrity and Ethics
2. Transparency
3. Bribery and Corruption

Management Systems

4. Management Systems
5. Hiring, Disciplinary and Termination Practices

Social and Labour Standards

6. Child Labour
7. Forced Labour
8. Harassment or Abuse
9. Non-Discrimination
10. Freedom of Association and Rights to Collective Bargaining
11. Grievance Mechanism
12. Wages and Benefits
13. Working Hours
14. Health and Safety
15. Health and Safety: Dormitories and Canteens

Environmental Standards

16. Environment

Additional Standards (If Applicable)

17. Overseas or Foreign Migrant Workers
18. Subcontracting and Homeworkers
19. Responsible Sourcing of Minerals

Introduction

We believe in earning our customers' trust by acting responsibly and doing the right thing for our people, our customers, our communities, and our environment. We are committed to upholding human rights, not only with respect to our own team members but also for workers in our global upstream supply chain.

Our Expectations

We expect that our suppliers and our suppliers' suppliers (our upstream supply chain) are committed to the same standards as we are. Achieving this together means we must build stronger partnerships and strive to improve supply chain sustainability and the livelihood of workers within it.

Our suppliers must be able to meet our minimum expectations and have capacity to continuously improve on key responsible sourcing indicators.

We expect our suppliers to share these Responsible Sourcing Standards with their suppliers so that our expectations and standards are known and implemented at multiple supplier tiers.

We encourage our suppliers to be open and honest about the challenges they face so we can work together to find practical solutions. We are committed to continuous improvement and expect the same of our suppliers.

Who do these Standards apply to?

The Responsible Sourcing Standards apply to all of our suppliers globally with whom we have a direct relationship for goods and/or services we sell or use in our businesses (other than suppliers of branded goods and services). It also applies to all workers including, but not limited to, foreign migrant workers, part-time/temporary workers, female workers, young workers and old workers. Where suppliers operate in countries that have requirements and standards less stringent than our Standards, suppliers are expected to uphold our Standards for their business and their own supply chain.

Contact Us

We encourage our suppliers to be open and honest about the challenges they face so we can work with them to find practical solutions. Further, if there are any questions, or feedback regarding these Standards or our approach to responsible sourcing, please contact us directly at:

responsiblesourcing@woolworths.com.au

How to report a breach of the Standards

Woolworths provides a Speak Up service for our team members and suppliers (and their team members) as a mechanism by which responsible sourcing concerns can be raised anonymously. For more information and to report a breach of the Standards, please visit the Supplier Speak Up website: WoolworthsSpeakUp.ethicspoint.com

Standards Overview

The development of these Responsible Sourcing Standards is a result of increasing challenges in the global supply chain, the drive for greater transparency and emerging best practices to address sourcing risks.

These Responsible Sourcing Standards have been benchmarked to leading international standards. These include the following:

- International Labour Organisation (ILO)'s core conventions
- United Nations *Universal Declaration of Human Rights* (UDHR)
- United Nations *Guiding Principles on Business and Human Rights* (UNGPs)
- Ethical Trading Initiative (ETI)'s *Base Code*
- United Nations Global Compact's (UNGC) core values on human rights, labour standards, the environment and anti-corruption
- Emerging best practices from global peer programmes in various industry sectors

We will review these Standards on an annual basis (or when circumstances dictate) to ensure that the criteria remain current, align with changes in standards or regulation, and address emerging issues.

This document comprises of 19 Standards and three thematic guidance notes. The Standards are numbered and form a part of our compliance checks. The guidance notes articulate our position in three key areas: remediating cases of child labour, characteristics of establishing an effective operational-level grievance mechanism and living wage. These are not audited against but offer suppliers guidance to assist in interpreting and implementing the Standards, where relevant.

Verification of compliance with the Standards

We expect suppliers to respect and comply with the criteria set out in our Responsible Sourcing Standards and develop the necessary tools and management systems to support this compliance.

Woolworths will verify compliance to the Standard. This may be in the form of a supplier self-assessment, requesting policies, procedures or records under our mutual recognition audit program, implementing a corrective action plan, or a site visit or a formal audit. Our verification and audit framework is built on recommended practises from recognised social compliance industry programs.

The type of verification or audit request will be determined by the nature of the responsible sourcing risk. In the case of audits or site visits, best practice guidance recognises that different circumstances require different approaches, from announced visits or audits as part of normal commercial relationships, to semi-announced visits or audits within an agreed time window, to unannounced visits or audits, particularly to assess employment conditions in their usual state. We may conduct any of these directly or through a third party, and in such circumstances:

- **Announced** We will agree a date in advance.
- **Unannounced** We may conduct a visit at any time on an unannounced basis.
- **Semi-Announced** We may specify a time window in which a visit may take place.

In each case our team members or auditors will present credentials on the date of the visit or audit, and must be given safe access to the site to complete their work.

More information on verification requirements can be found in the Responsible Sourcing Guidance document.

Compliance with Local Laws

Suppliers shall comply with local laws in the countries in which they operate, along with other applicable laws, rules, and regulations. Where there is a gap between our requirements and standards and the local laws, rules and regulations, the more stringent requirements and standards apply.

Applicable laws or legal requirements:

Any reference to applicable laws or legal requirements in these Standards means any laws (statute, legislation, ordinance, code or other law) including any regulations under them and any code of practice, rules or standards issued by relevant authorities, regulators or industry bodies, that are applicable to the supplier, its workers, its operations, the goods or services provided or the supplier's dealings with us.

Woolworths also has a strict policy on bribery and corruption. We do not tolerate, permit, or engage in any bribery, corruption, fraud or unethical practices in dealing with business partners, public officials and/or with any Woolworths Group representatives. Any offer, solicitation or acceptance of payments and gifts to Woolworths Group businesses and affiliated partners is strictly prohibited.

1. Business Integrity and Ethics

- 1.1. Suppliers operate in full compliance with all applicable local laws and other applicable internationally agreed laws, rules, and regulations related to worker welfare, health and safety, and environmental compliance.
- 1.2. Suppliers have a valid and current business license and other documents required for legal operation, including but not limited to building safety, fire safety, and waste disposal permits.
- 1.3. There are no omissions or errors in government permits, certificates, and other facility records.

2. Transparency

- 2.1. Suppliers are transparent with their policies, processes, and records to Woolworths and affiliated partners.
- 2.2. Suppliers allow assessor(s) full access to its facility premises, workers, and records.
- 2.3. Suppliers shall not interfere with assessor(s) during the worker interview process. Supplier shall not "coach" workers to provide false or misleading responses to questions during interviews.
- 2.4. Suppliers provide complete and accurate documents related to payroll, time attendance, and production records for the past 12 months at the minimum, or longer if available.



- 2.5. Suppliers are not hiding workers and premises (e.g. dormitories, warehouses). Subcontracting or moving production capacity to another site or worker's home is not done without written approval by Woolworths.

3. Bribery and Corruption

- 3.1. Suppliers are prohibited to offer, pay, solicit, or accept bribes, including payments, gifts, or other favours intended for inappropriate business advantages to and from Woolworths, Woolworths' representatives, third-party auditing firms, customs or trade officials, sub-tier suppliers, recruiting agents, and etc.
- 3.2. Suppliers are prohibited to bribe assessors in form of any monetary compensation, gifts, or favours that may impact the outcome of the assessment.

Management Systems

We believe that management systems are important for suppliers to build and develop in order to support compliance requirements and sustainability goals. Suppliers are responsible to establish these management systems to support their operations.

4. Management Systems

- 4.1. Suppliers appoint a senior manager or management team to be accountable for all compliance requirements in the facility or facilities.
- 4.2. Suppliers maintain a list of local law regulations and customer requirements and routinely update this list to identify and monitor changes in legal compliance.
- 4.3. Suppliers have written policies and internal procedures to oversee all aspects of compliance, including, but not limited to code of conduct, health and safety, environment, recruitment practices, worker welfare and etc. Suppliers communicate all policies and procedures to all workers to ensure understanding and implementation.
- 4.4. Training and training materials are provided in a language that workers understand and training records are maintained on a regular basis.
- 4.5. There is regular review and update of policy and systems (e.g. meetings with management and workers, workshops and trainings) with changes documented and communicated to workers.
- 4.6. Suppliers communicate these Standards and expectations of the Responsible Sourcing Policy to their suppliers.
- 4.7. Suppliers conduct internal audits (at least annually) to identify improvement opportunities. Audit reports are maintained and available for review.

5. Hiring, Disciplinary and Termination Practices

- 5.1. Suppliers have a recruitment policy and/or procedure that details recruitment practices and worker expectations.
- 5.2. Suppliers conduct own due diligence on third-party recruitment partners or agencies to ensure that worker recruitment practices are aligned with their recruitment policy.
- 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.
- 5.5. Employment contracts are to be signed with a signed copy provided to each worker for their records.
- 5.6. Probationary periods must be outlined in contracts and in alignment with local law.

- 5.7. Employment contracts shall comply with applicable local laws and international standards and are written in a language that the worker understands. Employment contracts shall contain but are not limited to information on: scope of work, wage, benefits, leave, working hours, overtime, disciplinary and grievance mechanism.
- 5.8. Suppliers document and communicate with all workers a disciplinary policy with regards to escalating disciplinary action steps, workers' code of conduct, suspension and termination. A copy of this acknowledgement shall be kept in the worker's records.
- 5.9. Managers and supervisors are trained on the disciplinary procedure and worker engagement practices.
- 5.10. Workers are informed when a disciplinary procedure has been initiated against them and have a right to participate and right to appeal without fear of reprisal during this process.
- 5.11. Suppliers maintain written records of disciplinary actions taken, including termination records as required by law.

Social and Labour Standards

All workers shall be treated with respect and dignity. Suppliers are to provide workers with a safe place to work, and respect workers' rights to freedom of association. Worker grievances are to be heard, appropriately investigated, and any required remediable action taken, in addition to building capacity and awareness around social and labour practices.

6. Child Labour

Child labour refers to work that:

- Is mentally, physically, or morally harmful to children;
- Prohibits educational or social development:
 - by depriving them of the opportunity to attend school;
 - by obliging them to leave school prematurely;
 - by requiring them to attempt to combine school attendance with excessively; or
 - long and heavy work.

Woolworths recognise that not all work done by children should be classified as child labour. This includes activities such as helping their parents around the home, assisting in a family business or earning pocket money outside of school hours and during school holidays. These kinds of activities contribute to children's development and to the welfare of their families; they provide them with skills and experience and help to prepare them to be productive members of society during their adult life.

Child labour should not be present in Woolworths' supply chain and no child should partake in the production of goods and services in the supply chain. We rely on our suppliers and community partners to keep children in schools and other educational facilities until they reach the legal minimum age to work.

- 6.1. Suppliers maintain a written hiring policy and age verification procedure in place for the recruitment of all workers, both full-time and part-time or temporary.
- 6.2. Suppliers keep copies of official government records and/or identification papers that verify worker's date of birth and legal right to work. In countries where proof-of-age documents, birth certificates, or other government-issued forms of identification are not available, suppliers shall seek an independent and reliable way of determining a worker's age to verify the worker's age (e.g. education certificates, election cards, residential document, etc.)
- 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.
- 6.4. There are no workers employed who are under the age for mandatory schooling, as required by local law.
- 6.5. Young workers (who are under the age of 18 and above the legal minimum working age) shall not engage with any night work in accordance to ILO Convention 090.

- 6.6. Suppliers shall comply with local laws on employment of young workers. Young workers shall not engage with any hazardous work.
- 6.7. Suppliers take necessary precautions and protocols to ensure that young workers are protected from working conditions that could potentially pose harm to their health, safety, or development.
- 6.8. Suppliers comply with working hours and overtime hour restrictions for young workers as required by law and comply with minimum wage and legally entitled benefits to them.
- 6.9. Where required by law, suppliers obtain all legal approvals for all young workers. This may include but are not limited to providing health examinations for young workers prior to employment and/or on a regular basis after start of employment, as well as paying for any expenses associated with registering young workers with local authorities.
- 6.10. Suppliers encourage and allow eligible workers, especially young workers, to pursue educational opportunities.
- 6.11. Suppliers comply with all local regulations and requirements for all legal apprenticeship or vocational education programs (e.g. student workers), and maintain documentation of these programmes.
- 6.12. Suppliers with childcare facilities available to workers shall not have these facilities overlap with production areas.
- 6.13. Children are prohibited to access production areas at all times, even when the production areas are not in operation.

GUIDANCE NOTE:

Remediating cases of child labour

If children are found to be working directly or indirectly for the supplier, the supplier shall bear all the responsibility and costs while they seek a sensitive and satisfactory solution that puts the best interest of the child first.

Based on industry best practices, suppliers are suggested to follow these protocols when child labour has been identified in the workplace:

- Consult with child and his/her family to understand their wishes and needs
- Agree on a process and/or next steps with the child.
- Employers compensate for the loss of income.
- Employers must enable the child to attend school and pay all fees associated with education costs.
- Employers can offer job to a qualified adult member of the family (if possible) or to the child once they reach legal minimum age.
- Conduct a detailed investigation with appropriate child labour and child protection agencies.
- Establish monitoring mechanism and conduct regular reviews of the child's progress.

7. 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.
- 7.2. Suppliers communicate this policy to all workers and conduct training to all managers and supervisors to ensure understanding of this policy.
- 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.
- 7.5. Workers shall not be forced to work by a family member, associate, or friend for any reason.
- 7.6. Workers retain possession of their own original identification papers or personal things (e.g. passports, visas, ID cards, bank cards etc.).

Exception: Where security is a concern and workers do not have access to a safety box, suppliers may retain the worker's documentation if and only if workers provide a written consent and the suppliers have a way of allowing workers access to these documents at all times.

- 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.
- 7.8. Workers have the freedom of leaving the workplace premise at the end of their working shifts. If entrances are guarded for safety reasons, workers shall have free access at all times.
- 7.9. Workers have the freedom of movement during working shifts to take designated breaks (e.g. bathroom, drinking water, etc.) and/or under exceptional cases where they need to take personal leave for family emergencies or illnesses, without fear of retaliation or disciplinary action.
- 7.10. Workers shall not be forcibly required to live in employer-owned or -controlled housing arrangements. For workers who live employer-owned or -controlled housing facilities, the freedom of movement shall not be unreasonably restricted.



8. Harassment or Abuse

- 8.1. Suppliers shall not engage in or support any form of corporal punishment, mental or physical coercion such as sexual harassment and verbal abuse, as a means to maintaining labour discipline.
- 8.2. Suppliers educate and train supervisors and managers to prohibit the use of or threat of verbal and physical violence, including slaps, pushes, screaming, yelling, demeaning language, or verbal intimidation as a means to maintaining labour discipline.
- 8.3. Suppliers shall not subject workers to psychological or mental abuse, such as signing letters of self-criticism and publicly humiliating workers who are subjected to disciplinary measures.
- 8.4. Security practices or pat-downs shall be gender-appropriate and non-intrusive to the workers.

9. Non-Discrimination

- 9.1. Suppliers treat all workers with dignity and respect.
- 9.2. Suppliers make employment decisions (e.g. recruitment and hiring, promotions, job assignments, compensation, allowances and bonuses, etc.) on the basis of a worker's education, training, demonstrated skills, and job performance.
- 9.3. Suppliers shall not discriminate against workers based on individual characteristics, race, caste, social background, disease, ethnic and national origin, religion, age, disability, gender, marital status, pregnancy, sexual orientation, political affiliation, and/or participation in worker organisations.
- 9.4. All workers have the equal opportunity for employment, promotion, training, and retirement based on their ability and job performance.
- 9.5. Suppliers shall not require pregnancy or medical testing of workers as a condition of employment.
- 9.6. Suppliers shall not make decisions on a female worker based on her pregnancy status that may result in dismissal, threats, or disadvantages in employment benefits. Pregnant workers shall not be engaged in work that creates substantial risk to themselves and their babies.

10. Freedom of Association and Rights to Collective Bargaining

- 10.1. Suppliers respect the right of all workers to freedom of association and collective bargaining. No workers shall be subjected to harassment, intimidation, or retaliation in their efforts to associate or bargain collectively.
- 10.2. Suppliers adopt an open attitude towards the activities of worker representative groups and union organisations and do not interfere with or prevent these activities.

- 10.3. Suppliers shall not discriminate against union members or worker representatives by refusing to hire them or by terminating workers based on union affiliation or organising efforts.
- 10.4. Worker representatives shall be elected freely without supplier management interference.
- 10.5. Suppliers give worker representatives access to the workplace to carry out their representative functions, including access to workers and management.
- 10.6. Where a collective bargaining agreement (CBA) is in place, suppliers must adhere to the terms of the agreement. The CBA shall be negotiated freely, voluntarily, and in good faith. Suppliers shall keep all past and present CBAs on record.
- 10.7. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

11. Grievance Mechanisms

- 11.1. Suppliers maintain and provide multiple grievance mechanisms (e.g. confidential suggestion boxes, hotlines, email, worker committees, designated space for worker meetings, meetings between management and worker representatives, etc.) as a way to provide confidential means for workers to raise grievances.
- 11.2. Workers are trained and aware of grievance mechanism options and understand that they can communicate without fear of retaliation, intimidation, harassment, or discrimination.
- 11.3. Suppliers maintain a resolution history of grievances raised, including evidence of communication between management and worker, and whether or not the resolution was reached.

GUIDANCE NOTE:

An Effective Grievance Mechanism

Woolworths believes that implementing an effective grievance mechanism is key to respecting workers rights and upholding these Standards. The United Nations Guiding Principles on Business and Human Rights (known as the UNGPs) outlines eight characteristics of an effective grievance process (extracted below). Suppliers are encouraged to assess the effectiveness of their grievance process and commit to continuous improvement. An effective grievance mechanism should be:

- A. Legitimate: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;
- B. Accessible: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;
- C. Predictable: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;

- D. Equitable: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;
- E. Transparent: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake;
- F. Rights-compatible: ensuring that outcomes and remedies accord with internationally recognised human rights;
- G. A source of continuous learning: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms; and
- H. Based on engagement and dialogue: consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.

In addition to supporting operational-level grievance mechanisms, Woolworths is committed to cooperating with state-based judicial or non-judicial grievance mechanisms and will not impede access to such mechanisms for adversely affected persons to make a claim. We expect the same of suppliers.

12. Wages and Benefits

- 12.1. Suppliers maintain complete and accurate payroll documents and worker profiles for each worker for at least 12 months, or longer if required by law.
- 12.2. Suppliers pay the legal minimum wage for regular hours worked or the industry wage agreed within a CBA (if applicable), whichever is higher.
- 12.3. Suppliers pay workers correctly on overtime hours at premium rates as legally required or agreed within a CBA, whichever is higher.
- 12.4. All workers shall be provided with written information in a language they understand about their employment conditions including wages, incentive systems, compensation and benefits, and bonuses to which all workers are entitled to under applicable law.
- 12.5. Suppliers maintain a wage calculation example including regular hours and overtime hours (with premium). Wage calculation shall be communicated to workers and acknowledged in writing.
- 12.6. Suppliers provide workers an understandable wage statement or pay slip, which includes information on days worked, standard hourly rate or piece rate, overtime hours and premiums, bonus and all deductions, etc.
- 12.7. Suppliers pay workers in a timely manner within defined time frames. Where no time frame limits are specified by law, payment must be paid at least within thirty (30) days.
- 12.8. Suppliers provide all legally required benefits, including all forms of paid leave (including but not limited public holidays and sick leave), to all workers.
- 12.9. Suppliers forward all withholdings to appropriate government authorities as required by law.

- 12.10. Suppliers shall not take deductions from workers' wages as a disciplinary measure or any deductions from wages not provided for by law, without written consent from the worker.
- 12.11. Workers are paid correctly for all paid time off (e.g. breaks and leaves) and work stoppages, if any, as required by law.
- 12.12. Workers have a right to refuse goods and services provided by employer, such as housing and meals. Deductions for these goods and services shall be reasonable and not exceed the actual cost to the suppliers.
- 12.13. Suppliers provide workers with all the necessary tools, personal protective equipments (PPEs), and uniforms to perform work at no charge.
- 12.14. Benefits, including but not limited to social insurance, retirement benefits, severance, maternity, etc, are paid correctly and on time, as required by law.
- 12.15. Wages for probationary workers shall not be less than the lowest wage for the equivalent job within the company.
- 12.16. Suppliers shall not change or terminate worker contracts for purposes of avoiding wage and benefit requirements.

GUIDANCE NOTE:

Living Wage

Woolworths believes that wages should always be enough to meet the basic needs of workers and their families and be able to provide some discretionary income for them. While we recognise that there is no universal guidance on how to calculate such a wage, we strive to work closely with our suppliers to promote freedom of association and collaborative bargaining, as well as better wage management systems – particularly in jurisdictions lacking a robust minimum wage setting mechanism. To this end, we will also collaborate with global organisations to move towards achieving living wages, not just minimum wages, for all workers and their families who do not have the benefit of robust minimum wage frameworks in their jurisdiction.

13. Working Hours

- 13.1. Suppliers keep complete time attendance records for each worker for at least 12 months, or longer if required by law.
- 13.2. Suppliers maintain and communicate a working hours policy to all workers. Workers may refuse overtime work without any fear of retaliation, disciplinary actions, or punishments.
- 13.3. Regular working hours shall not exceed 48 hours per week or allowable limits under applicable laws or CBA, whichever is stricter.
- 13.4. Overtime hours shall not exceed the legal limits or 12 hours per week (total of 60 hours), whichever is lesser. The following exceptions are allowed, if:
 - Allowed by national law or CBA

- Appropriate safety measures are implemented to protect workers
- Suppliers can demonstrate and prove exceptional circumstances (e.g. production peaks, accidents, or emergencies)

- 13.5. Suppliers have management systems in place to monitor, determine and remediate excessive working hours to demonstrate management and control of working hours.
- 13.6. Workers are provided with at least 1 rest day for every 6 days consecutive work period or required by applicable law or CBA, whichever is stricter.
- 13.7. Suppliers provide workers with reasonable meal and rest breaks in accordance with local laws.
- 13.8. Suppliers comply with national/local laws for workers' entitlements to public and annual holidays.
- 13.9. Suppliers have a reliable system to keep accurate and complete time records.
- 13.10. Suppliers provide a functioning and reliable timekeeping system that allows workers to record their own hours (e.g. punch in, swipe card, etc.).

14. Health and Safety

- 14.1. Suppliers comply with all applicable laws regarding working conditions, good housekeeping, and provide workers with a safe and hygienic workplace. Health and safety procedures shall comply with all national and local laws.
- 14.2. Suppliers have a health and safety policy and provide regular health and safety training to all workers. Training records are maintained.
- 14.3. If required by law, suppliers shall have a health and safety committee with documented regular meetings.
- 14.4. A senior manager should be assigned to be responsible for health and safety.
- 14.5. Suppliers provide adequate and effective ventilation to allow proper circulation of air in the workplace and maintain temperature control. Windows or ventilation systems shall comply with legal requirements.
- 14.6. Suppliers provide appropriate and sufficient lighting to allow workers to see potential barriers or obstacles on their way to nearest exits, perform their jobs, and stay alert of their surroundings.
 - 14.6.1. Surrounding grounds are well lit if night work is done.
 - 14.6.2. All exit routes, including but not limited to stairways, are well lit and have handrails.
- 14.7. Production floors have proper construction, drainage, and maintenance to prevent workers from slipping.

- 14.8. There shall be sufficient number of functional and sanitary toilets in accordance with local law per floor and gender.
- 14.9. All workers have access to potable drinking water and clean water for washing.
- 14.10. Smoking is prohibited in areas where there may be fire risks.
- 14.11. Where applicable, workers shall be provided with personal protective equipment (PPE) including but not limited to masks, gloves, goggles, ear plugs, guards, and boots at no cost.
 - 14.11.1. Workers have been trained on how to properly use PPEs and their benefits, and training records are maintained.
 - 14.11.2. Suppliers monitor to ensure that workers are correctly using the provided PPEs.
- 14.12. Suppliers comply with all laws regarding machine safety and take all steps to ensure machine safety with operational safety devices or guards.
 - 14.12.1. Machines and equipment are inspected and maintained on a regular basis with records kept.
 - 14.12.2. Specialised equipment or machinery have all required and valid licenses/permits (e.g. forklifts, cargo lifts, boilers, compressors, etc.)
 - 14.12.3. Specialised equipment or machinery operators are licensed where legally required and trained in safety operating procedures.
- 14.13. First-aid kits and medical care shall be provided and available onsite at all times.
 - 14.13.1. First aid kits contain, at a minimum: bandages, cotton balls, scissors, gloves, and antiseptic wipes.
 - 14.13.2. Suppliers conduct and pay for regular occupational health checks for workers as required by local law.
 - 14.13.3. Suppliers maintain functioning emergency eye wash stations or showers where corrosive chemicals or solvents are used.
- 14.14. Suppliers have a system to identify, evaluate, and minimise risk from physically demanding work to prevent work-related injuries or health impacts on workers.
- 14.15. Suppliers maintain a procedure for handling worker injury and incidents. All incidents are reported and recorded for at least 12 months or longer. Where required by law, incidents are reported to local authorities.
- 14.16. Suppliers maintain structural and building safety, and maintain all legally required building or construction certificates/reports/permits.
 - 14.16.1. Building inspections are conducted on a regular basis, or as required by local law or standard practice.

- 14.16.2. Maximum occupancy signage is visibly posted in each room of the building, near each entrance. Maximum occupancy shall be within building permit requirements.
- 14.17. Suppliers comply with all applicable laws regarding fire safety and take measures to plan for emergencies and prevent injuries and accidents.
 - 14.17.1. Suppliers maintain all valid and legally required fire safety certificates, licenses, and inspections.
 - 14.17.2. Suppliers designate an emergency response team with defined responsibilities.
 - 14.17.3. Suppliers maintain a suitable fire detection and emergency alarm system that covers all areas of the production premise.
 - 14.17.4. Emergency alarm system is audible, functional, inspected, and tested regularly.
 - 14.17.5. Fire extinguishers shall be sufficient in numbers as required by local law and adequately labelled according to the types of fire emergencies that they are used for.
 - 14.17.6. Fire extinguishers and/or fire hoses are functional and properly mounted and secured through the workplace.
 - 14.17.7. All fire-fighting equipment, including fire extinguishers and fire hoses, is clearly marked and easily accessible with operating instructions labelled. These equipment are checked routinely with relevant logs maintained.
 - 14.17.8. Sprinkler systems meet legal requirements and are regularly maintained by licensed professional.
 - 14.17.9. There are sufficient number of emergency exits in the workplace per floor, warehouse, office, etc.
 - 14.17.10. Emergency lighting are provided with backup power and included along all exit routes, including stairways. The lighting is industrial grade and inspected regularly. Anti-explosive lights are installed in areas in which flammable and combustible materials are stored.
 - 14.17.11. Emergency exits are kept clear, unlocked, and accessible at all times and open in the direction of emergency egress. Emergency exit doors meet legal requirements.
 - 14.17.12. Fire and emergency evacuation plans are posted on every floor. Evacuation plans reflect floor layout, including a “you are here” sign, and are in a language understood by workers.
 - 14.17.13. Evacuation drills are conducted regularly, at least once a year or more as required by local law, whichever higher. Evacuation drills are conducted to cover all shifts, floors and buildings, and are recorded with photos and attendee list.

- 14.17.14. Designated emergency assembly points are large enough to safely accommodate all workers during emergency evacuations.
- 14.17.15. Exit routes are marked and visible during fire emergencies and kept unobstructed and clear at all times.
- 14.17.16. Workers and supervisors are trained at regular intervals in fire safety, use of fire extinguishers, and other fire prevention procedures and emergency evacuation plans. Trainings are recorded and documented.
- 14.18. Suppliers comply with legal requirements regarding electrical safety. Electrical panels, wiring, circuits, outlets etc. shall be routinely checked for integrity and marked with appropriate safety warning labels.
- 14.19. Suppliers must inform Woolworths should there be a significant and immediate risk to the health or safety of workers (e.g. flooding, fire, chemical accidents, etc)

15. Health and Safety: Dormitories and Canteens

- 15.1. Suppliers have procedures for monitoring and maintaining dormitories or housing accommodations and canteens or kitchens, when provided, to be safe, hygienic, separate from production areas, and meet all related laws regarding building structural integrity, electrical safety, and fire safety.
- 15.2. Sleeping areas have clearly identifiable gender segregated options.
- 15.3. The living space per resident in the sleeping areas meet or exceed local laws or industry standards, whichever is more stringent.
- 15.4. Residents shall be provided with own mats or beds and not required to share mats with others for hygiene purposes.
- 15.5. Residents have storage space for personal possessions that can be locked.
- 15.6. Residents have free access to sufficient toilets and showers by gender according to local law or industry standard, whichever is more stringent.
- 15.7. Potable drinking water shall be provided to all workers in dormitories and canteens.
- 15.8. All kitchen and food service staff have valid health certificates as legally required.
- 15.9. Suppliers provide hygienic equipment for food storage and preparation (e.g. refrigerators).

Environmental Standards

Suppliers are expected to comply with all applicable environmental laws and regulations, and maintain an environmental management system that identifies and manages environmental impacts.

16. Environment

- 16.1. Suppliers comply with national and local environmental laws and regulations.
- 16.2. Suppliers maintain an effective environmental management system that identifies environmental impacts including and not limited to water, wastewater, energy, air emissions, waste, hazardous materials, and other significant environmental risks.
- 16.3. Suppliers maintain all legally required and valid environmental permits, licenses, approvals, and other certifications.
- 16.4. Suppliers have a response plan for environmental accidents or emergencies. Where applicable, suppliers shall also include procedures for notifying local community authorities.
- 16.5. Suppliers have trained environmental personnel to handle environmental accidents or emergencies.
- 16.6. Workers are trained on first aid and emergency actions in case of environmental accidents or emergencies.
- 16.7. Suppliers shall maintain a record of environmental emergencies or accidents, along with corrective and preventative plans.
- 16.8. All monitoring reports including but not limited to air, water, and noise shall be maintained regularly per local law.
- 16.9. Suppliers maintain a wastewater treatment policy and procedure with trained staff to oversee the operation. Wastewater treatment facilities must be appropriately sized and functioning to handle effluent capacity at all times.
- 16.10. Suppliers maintain an updated chemicals inventory that lists all chemicals used onsite in conjunction with Material Safety Data Sheets (MSDS) for each chemical in the inventory.
- 16.11. Suppliers shall prohibit the use of hazardous substances listed in Zero Discharge of Hazardous Substances - Manufacturing Restricted Substances List (ZDHC MRSL).
- 16.12. Suppliers comply with legal requirements regarding chemical management and handling, particularly hazardous substances used in the workplace.
 - 16.12.1. Chemicals and hazardous substances are properly stored (e.g. away from ignition or combustible sources and sealed properly) and labelled with appropriate identification and safety handling precautions.
 - 16.12.2. Chemical storage sites should be separate and covered, equipped with appropriate fire safety equipment, with proper ventilation, anti-explosive lights, and special PPEs for workers handling chemicals.

- 16.12.3. Chemicals and hazardous substances are contained in secondary containment to prevent leakages, spills, and accidents. Secondary containment provides sufficient volume to store chemicals and hazardous substances.
- 16.12.4. Suppliers separate hazardous from non-hazardous materials. Flammable and combustible materials and chemicals are safely stored away from sources of ignition.
- 16.12.5. Workers are trained regularly to handle, clean up, and dispose of chemicals and hazardous substances. Training records are maintained.
- 16.12.6. Gas cylinders are properly marked, used, inspected, stored, and secured.
- 16.12.7. Expired or deregistered chemicals and used chemicals shall be properly and safely disposed of by certified third party professionals.
- 16.12.8. If applicable, chemicals used in agriculture comply with industry standards and local law.
 - 16.12.8.1. Agrichemical applications must be recorded (e.g. where, when, dosage, climatic conditions, etc.) and available upon request.
 - 16.12.8.2. Suppliers monitor and manage runoffs to adjacent environment from workplace activities.
 - 16.12.8.3. Suppliers comply with all local resources management laws (e.g. tree clearing regulations, water usage regulations, etc.)
 - 16.12.8.4. Suppliers comply with all local laws for pest management, including large vertebrate birds or other pests according to environmental standards.
- 16.13. Suppliers have proper waste management procedures in place to carefully dispose and handle waste materials on site according to local law. Suppliers ensure that there is no illegal dumping of waste to the local environment.

Additional Standards (If Applicable)

17. Overseas or Foreign Migrant Workers

Overseas or foreign migrant workers are any workers who are not a citizen or permanent resident of the country of employment and have additional requirements before being allowed to work in the country. They are often found in countries and industry sectors where the labour supply is limited and can face unique risks that make them vulnerable to exploitation.

These *Additional Standards* on Overseas or Foreign Migrant Workers apply if suppliers recruit, either directly or via a third party, overseas or foreign migrant workers into their business or supply chain. This includes meeting additional legal standards before workers are allowed to work in the country. The same requirements throughout this document apply to overseas or foreign migrant workers.

- 17.1. Suppliers have a management system in place to monitor and check labour hiring / recruitment agencies against legal compliance and hiring practices.
- 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.
- 17.4. Suppliers maintain and keep on record, a signed contract with the recruiting agency. The contract shall clearly stipulate the contractor's obligation to comply with Woolworths' Responsible Sourcing Policy.
- 17.5. Workers contracts accurately reflect the agreed payment, the agreed terms in the recruitment process and are written in a language understood and signed by workers.
- 17.6. Where applicable for workers recruited overseas, all workers shall get pre-departure training in their native language and arrival training in a language they understand. Suppliers must work with third-party recruitment agencies to ensure that this requirement is met.

If foreign workers are recruited within the country, suppliers shall verify that the conditions for arrival training are met before allowing workers to commence work.
- 17.7. All training or on-boarding records shall be maintained for each worker.
- 17.8. Workers shall not have their passports, identity papers, or ATM cards retained for employment.

Exceptional cases where security is of concern, workers shall be provided with a means of personal retention. If this is not possible, suppliers must receive written



permission from workers to safe-keep their documents and allow full access at all times.

- 17.9. Suppliers have an appointed individual in management, a translator who speaks the local language of the workers or access to a similar service, to facilitate grievance resolutions.
- 17.10. Workers must be able to access and use the internal grievance mechanisms in a language they understand.

18. Subcontracting and Homeworkers

- 18.1. Subcontracting is prohibited unless suppliers obtain written approval from Woolworths for any subcontracting work before it begins.

If subcontractors are approved, suppliers shall maintain appropriate records of approved subcontractors for at least 12 months or longer.

- 18.2. Homeworkers are prohibited unless suppliers obtain written approval from Woolworths.

If homeworkers are approved, suppliers shall have policies and procedures in place to control external working arrangements and working conditions, maintain a roster for all homeworkers used, ensure correct payment for homeworkers, as well as maintain all legally mandated documents as required by law.

19. Responsible Sourcing of Minerals

- 19.1. Where the minerals tin, tungsten, tantalum and gold are a key component of final production, suppliers must have adequate due diligence and disclosure procedures in accordance with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*.