

Company Name Woolworths Group
Industry Agricultural Products (Supply Chain only)
UNGP Core Score (*) 17.5 out of 26

Score **Out of** **For indicators**

Governance and Policy Commitments

2	2	A.1.1 Commitment to respect human rights
1.5	2	A.1.2 Commitment to respect the human rights of workers
2	2	A.1.4 Commitment to engage with stakeholders
2	2	A.1.5 Commitment to remedy

Embedding respect and Human Rights Due Diligence

Embedding respect

2	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
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Human Rights Due Diligence (HRDD)

0.5	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
1	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
2	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0.5	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed

Remedies and Grievance Mechanisms

1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
1	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
1.5	2	C.7 Remedyng adverse impacts and incorporating lessons learned

17.5 26

(*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: General HRs commitment: The Company states that 'Woolworths Group is committed to respecting the human rights of our own team members and the workers in our upstream supply chain'. [Responsible Sourcing Policy, 01/07/2020: woolworthsgroup.com.au] • Met: UNGC principles 1 & 2: Also, 'Woolworths Group is a signatory to the United Nations Global Compact (UNGCG)'. [Responsible Sourcing Policy, 01/07/2020: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: UNGPs: The Company indicates that 'Woolworths Group is committed to respecting the human rights of our own team members and the workers in our upstream supply chain and endorses the principles and guidance contained in the United Nations Guiding Principles on Business and Human Rights'. [Responsible Sourcing Policy, 01/07/2020: woolworthsgroup.com.au] • Not met: OECD
A.1.2	Commitment to respect the human rights of workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: UNGC principles 3-6: Woolworths is a signatory of the UNGC. In its Responsible Sourcing Policy, it states: 'Woolworths Group is committed to respecting the human rights of our own team members and the workers in our upstream supply chain and endorses the principles and guidance contained in the United Nations Guiding Principles on Business and Human Rights'. [Responsible Sourcing Policy, 01/07/2020: woolworthsgroup.com.au] • Met: Explicitly list All four ILO for AG suppliers: The company Responsible Sourcing Standards specifies that suppliers are required to comply with all ILO core. With respect the rights to freedom of association and collective bargaining the Company also sets out alternative measures in case these rights are restricted by law: '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.' [Responsible sourcing standards updated june 2019, 6/2019: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Explicit commitment to All four ILO Core: The Company indicates that 'Woolworths Group is committed to respecting the human rights of our own team members and the workers in our upstream supply chain [...] Woolworths Group upholds and expects our suppliers to commit to respecting each of the International Labour Organisation's (ILO) fundamental principles and rights at work. These include: the right not to be subject to forced labour, child labour or discrimination in respect of employment and occupations; and freedom of association and the right to collective bargaining'. However, it is not clear whether commitments to each ILO core also covers the Group's operations, since it states that 'this policy covers our approach to our upstream supply chain in all of our businesses and outlines our expectations for all Woolworths suppliers in their own business and underlying supply base'. [Responsible Sourcing Policy, 01/07/2020: woolworthsgroup.com.au] • Met: Respect H&S of workers: The Company has a section on health and safety in its code of conduct: 'we care deeply about the safety, health and wellbeing of our teams, customers and contractors. We are all responsible for working together to make sure that anyone who works or shops with us goes home safely'. It includes a number of guidelines and links to health and safety policy and guidelines documents. [Responsible sourcing standards updated june 2019, 6/2019: woolworthsgroup.com.au & Code of Conduct, Feb 2019: woolworthsgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> Met: H&S applies to AG suppliers: A whole section of the Responsible Sourcing standards is dedicated to health and safety. [Responsible sourcing standards updated june 2019, 6/2019: woolworthsgroup.com.au]
A.1.4	Commitment to engage with stakeholders	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Commits to stakeholder engagement: Woolworths states that targets assigned under People, Planet, Prosperity (Corporate Responsibility Strategy) covers stakeholder engagement. Two of the targets in the PPP strategy discuss working with business partners. The company has also set an additional goal: 'We will collaborate with peak organisations to improve workers' lives'. [Corporate Responsibility Strategy 2020, 10/05/2018: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> Met: Regular stakeholder design engagement: The document Statement Principles, indicates that 'In November 2017 at the AGM, Woolworths committed to working with the National Union of Workers (NUW) to identify and address human rights risks in fresh food supply chains in Australia'. Woolworths also note that a Supplier Excellence Program has been launched which facilitates communication regarding standards and industry compliance, as well as codes of practice regarding overseas workers. The Company discloses, in its tab Promoting Labour Practice in our Global Supply Chain, that 'Where possible, the Group seeks to work in multi-stakeholder partnerships that both scale impact and promote a coordinated approach to tackling complex issues'. The Company also states, in the same website, in reference to the dialogue with the National Union of Workers 'we work collaboratively towards the implementation of an agreed pre-qualification programme for labour-hire providers who operate in Woolworths' direct fresh food supply chains'. Similarly, Corporate Responsibility report mentions that internal stakeholder meetings have fed into the Corporate Responsibility Strategy. [Woolworths Group's Response on Ethical Sourcing and Supply Chain Human Rights, 42986: woolworthsgroup.com.au & Promoting better Labour practices in our global supply chains, N/A: woolworthsgroup.com.au]
A.1.5	Commitment to remedy	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Commits to remedy: The Company indicates that 'We are committed to engaging with potentially or actually affected stakeholders, including local communities, either directly, or in collaboration with our suppliers or other third parties to provide remedy'. Moreover, 'Workers' grievances are to be heard, appropriately investigated, and any required remedial action taken, in addition to building capacity and awareness around social and labour practices'. [Responsible Sourcing Policy, 01/07/2020: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> Met: Not obstructing access to other remedies: The Company discloses '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'. [Responsible sourcing standards updated june 2019, 6/2019: woolworthsgroup.com.au] Met: Work with AG suppliers to remedy impacts: As above, the Company indicates that it is committed to cooperate with suppliers to provide remedy, and it expects them to cooperate with state-based judicial or non-judicial grievance mechanisms. [Responsible Sourcing Policy, 01/07/2020: woolworthsgroup.com.au]

Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Commits to ILO core conventions: See indicator A.1.2. The Company is signatory to the UN Global Compact. Met: Senior responsibility for HR: The Company website discloses: 'Responsible sourcing and related human rights issues are raised at the Board through papers compiled by our Group Sustainability team, who have oversight of the Group approach to human rights'. The Company also discloses 'Our Responsible Sourcing Steering Committee comprises of Executive and Senior leaders from across each of the Group's business units. This Committee oversees our Group-wide framework for identifying human rights risks and impacts in the supply chain, as well as setting and now monitoring our policy and minimum standards'. [Promoting better Labour practices in our global supply chains, N/A: woolworthsgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Met: Day-to-day responsibility: The Company discloses 'The Steering Committee is supported by a Working Group that has the day-to-day responsibility for embedding human rights in the supply chain. The Working Group meets regularly and is coordinated by Woolworths Groups' Responsible Sourcing Manager'. On the Sustainability Report the Company lists the name of the General Manager for Quality, Health & Sustainability and the Senior Manager, Group Sustainability. The Company states that the 'Group Sustainability team, who have oversight of the Group approach to human rights.' [Promoting better Labour practices in our global supply chains, N/A: woolworthsgroup.com.au] • Met: Day-to-day responsibility for AG in supply chain: The Company discloses 'Senior management in each business is then responsible for managing human rights issues with their suppliers'. There is also a Woolworths Groups Responsible Sourcing Manager. [Promoting better Labour practices in our global supply chains, N/A: woolworthsgroup.com.au]
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Identifying risks in own operations • Met: Identifying risks in AG suppliers: In its Corporate Responsibility Report, Woolworths provides a country risk matrix which is used in its implementation of ethical audits across the supply chain. It also works with SEDEX - an initiative to share global HR data on suppliers. Moreover, it states, in its Responsible Sourcing Program, that 'Based on our supplier risk assessment, sites in scope of the Standards are placed into one of four segments - minimum, moderate, priority or specialised. The risk assessment considers a number of factors including country risk, third-party audit data and the nature of WOW's commercial relationship. The assigned segment defines a sites' Responsible Sourcing due diligence requirements and is communicated to suppliers as part of the supplier onboarding process'. [Corporate Responsibility Report, 2017: woolworthsgroup.com.au & Responsible Sourcing Program, 12/2019: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification: Woolworths provides a country risk matrix which is used in its implementation of ethical audits across the supply chain. It also works with SEDEX - an initiative to share global HR data on suppliers. However, no details found of ongoing processes to identify which are the risks that the Company faces. [Corporate Responsibility Report, 2017: woolworthsgroup.com.au] • Not met: In consultation with stakeholders • Met: In consultation with HR experts: The Company indicates that it 'uses a risk-based approach to define our program requirements for suppliers and to ensure the appropriate level of due diligence is in place to best prevent and respond to these risks. This approach has been designed together with ELEVATE, a risk and sustainability firm based in Asia'. [2019 Sustainability Report, 29/08/2019: woolworthsgroup.com.au] • Not met: Triggered by new circumstances • Met: Explains use of HRIAs or ESIA (inc HR): Discloses on website that when a country is rated at risk by its country risk matrix, an ethical audit will be carried out. (Low risk countries are not subject to this.) The circumstances under which this happens and the methodology are disclosed in a document entitled: Country risk ratings and countries subject to Woolworths ethical sourcing audits. [Country risk ratings and countries subject to Woolworths ethical sourcing audits, 25/04/2014: woolworthsgroup.com.au]
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Salient risk assessment (and context): The Company indicates that 'the products we sell are sourced both locally and through a complex global supply chain extending to some 50 countries, including China, Bangladesh and Australia. Each of these products and countries presents a different set of human rights challenges. Woolworths uses a risk-based approach to define our program requirements for suppliers and to ensure the appropriate level of due diligence is in place to prevent and respond to these risks. This approach has been designed together with ELEVATE [...] Our methodology for risk assessment is based on country risk using leading indicators, such as the World Bank Governance Indicators, the Global Slavery Index and the Transparency International Corruption Perceptions Index. We then layer additional leverage information based on a combination of the length of our business relationship and historical purchase order data. The result of this process enables us to "segment" suppliers into four groups'. [2019 Sustainability Report, 29/08/2019: woolworthsgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: Public disclosure of salient risks: Although the Company discloses how it assesses risks by location, it is not clear which are the different salient issues identified. [2019 Sustainability Report, 29/08/2019: woolworthsgroup.com.au] Score 2 • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Action Plans to mitigate risks: The Company has commitment to "work collaboratively towards the implementation of an agreed pre-qualification programme for labour-hire providers to ensure that all labour providers who wish to operate in Woolworths' direct fresh food supply chains comply with labour and human rights standards" and to "support workers in Woolworths' supply chains to be educated about their workplace rights". The Company website states that these commitments manage human rights risks and ensure compliance with the Company's Responsible Sourcing Policy and Policy for Employing or Engaging Oversees Workers. [Woolworths reaffirms commitment to improving labour rights in fresh food supply chains, 10/05/2018: woolworthsgroup.com.au] • Met: Including in AG supply chain: As above. • Met: Example of Actions decided: The Company outlines how it responds to "critical non compliances" in its supply chain and gives an example of Uzbek cotton that it instructs suppliers not to purchase. [Uzbek Cotton Policy, 25/08/2014: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirements under score 1 met: The Uzbek Cotton Policy is one area in which Woolworths has disclosed the risk, process and example of HR issues in the supply chain. [Uzbek Cotton Policy, 25/08/2014: woolworthsgroup.com.au]
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: System to check if Actions are effective: The Company indicates that 'Stucco is the Board Sustainability Committee. It comprises three directors and an independent Chair to review the effectiveness of our Responsible Sourcing Program and the company's human rights due diligence'. However, no evidence found of the system(s) for tracking the actions taken in response to human rights risks and impacts assessed and for evaluating whether the actions have been effective or have missed key issues or not produced the desired results. [2019 Sustainability Report, 29/08/2019: woolworthsgroup.com.au] • Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks: In order to be awarded this indicator, the Company needs to achieve at least 1,5 points in B.2.1 • Not met: Comms plan re assessing risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2 • Met: Comms plan re action plans for risks: See B.2.3 • Not met: Comms plan re reviewing action plans: In order to be awarded this indicator, the Company has to achieve a full score in B.2.4 • Not met: Including AG suppliers: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2/B.2.3/B.2.4 and at least 1,5 points in B.2.1

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> Not met: Responding to affected stakeholders concerns: The Company indicates that it 'was one of five external stakeholders that attended a worker information session organised by the NUW in Robin vale, Victoria. More than 200 workers from different nationalities working across Sunraysia (Robin vale, Mildura and Swan Hill regions) attended the session to discuss workplace rights. Woolworths engaged with a number of migrant workers in feedback sessions. Key learnings included: Understanding the complexity of labour hire subcontracting arrangements; Misuse of piece-rate payments; Fees for accommodation and transport; Legal complexities of the right to work. (...) After the visit, we formulated next steps based on the remediation guidance from the UN Guiding Principles on Business and Human Rights (UNGPs). Using the UNGPs, we identified that Woolworths was directly linked to the risks faced by workers in Robin vale. For businesses that are directly linked to a potential rights violation, the UNGPs suggest that companies consider their leverage to influence key stakeholders to facilitate a positive outcome for workers. We immediately implemented the following steps: Re-communicated our Responsible Sourcing Standards to suppliers in the region; Conduct unannounced site visits in region; Engaged relevant authorities including the Victorian Labour Hire Authority and Department of Home Affairs'. However, this indicator looks for evidence of how the Company has responded, in communication terms, to specific concerns raised by affected stakeholders in relation to a particular issue. Current evidence seems to focus on listening to stakeholder input and taking views into account. [2019 Sustainability Report, 29/08/2019: woolworthsgroup.com.au] Not met: Ensuring affected stakeholders can access communications

Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Channel accessible to all workers: The Company has a Team Member Speak Up Policy that applies 'to current and former team members who work for, or are contracted to a Woolworths Group company, as well as their associates and families, both in Australia and overseas.' Matters that can be raised with this service include violation of human rights. A report can be made via telephone with numbers for various countries, or online. The report is handled by a third party. [Team Member Speak Up Policy, Feb 2019: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> Not met: Number grievances filed, addressed or resolved: The Company indicates that 'this year, we conducted 67 investigations [grievances raised by workers] regarding non-compliance in our supply chain. (...) Of the 67 investigations, 52 cases have been closed'. It is not clear if these were human rights related issues, nor whether they were filed, addressed or resolved, the also seem related exclusively with the supply chain (not clear if there was any complaint including own operations). The Company has provided comments to CHRB regarding this indicator. However, its content has not been found in publicly available sources. [2019 Sustainability Report, 29/08/2019: woolworthsgroup.com.au] Met: Channel is available in all appropriate languages: The Company's Speak Up webpage and the Speak Up Supplier Policy are available in eight different languages. These languages seem to cover all the countries in which the Company operates. [Ethics Point, N/A: secure.ethicspoint.com & Corporate Governance, N/A: woolworthsgroup.com.au] Met: Expect AG supplier to have equivalent grievance systems: '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.' '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.' [Responsible sourcing standards updated june 2019, 6/2019: woolworthsgroup.com.au] Met: Opens own system to AG supplier workers: In its Supplier Speak Up Policy, the Company indicates: 'Our Supplier Speak Up service is available to any supplier, contractor, or consultant, as well as their relatives and dependants, which provides goods or services to the Woolworths Group in Australia or overseas'. [Supplier Speak Up Policy, 20/12/2019: woolworthsgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Grievance mechanism for community: The Group provides a Speak Up service for our team members and direct suppliers (and their team members) as a mechanism by which responsible sourcing concerns can be raised anonymously, and we are committed to working with our suppliers to ensure appropriate mechanisms are made available within their own supply chains. In addition, it indicates that 'Woolworths is committed to ensuring channels are provided through which adversely affected people or communities can raise complaints or concerns without fear of retaliation, intimidation, harassment, discrimination or victimisation'. [Responsible Sourcing Policy, 01/07/2020: woolworthsgroup.com.au & Promoting better Labour practices in our global supply chains, N/A: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> Not met: Describes accessibility and local languages: The Company's Speak Up webpage and the Speak Up Supplier policy are available in eight different languages. However, it is not clear if it is available in all appropriate languages (covers all languages where potentially affected stakeholders are located). [Ethics Point, N/A: secure.ethicspoint.com & Supplier Speak Up Policy, 20/12/2019: woolworthsgroup.com.au] Not met: Expects AG supplier to have community grievance systems: The Company indicates that 'our Responsible Sourcing Standards require our suppliers to provide workers with a channel to share their feedback, concerns and ideas, at their place of work (site). This channel is commonly referred to as a grievance mechanism'. No details found, however, on whether this channel should be open to suppliers' external stakeholders, including communities. [Supplier Guidance on Developing Grievance Mechanisms, 05/2019: woolworthsgroup.com.au] Not met: AG supplier communities use global system: There is no evidence that the company's Supplier Speak Up policy extends to supply chain external communities - only vendors and employees are specified. [Supplier Speak Up Policy, 20/12/2019: woolworthsgroup.com.au]
C.7	Remedying adverse impacts and incorporating lessons learned	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Describes how remedy has been provided: The Company indicates that 'in Australia, we facilitated AUD\$198,720 in repayments by labour contractors to 35 workers that had been underpaid. One sub-contractor was referred to the FWO. This brings the total repayments in Australia by labour contractors over the past 18 months to AUD\$225,000. In China, we secured the repayment of US\$24,695 in wages for 55 workers by their employers'. [2019 Sustainability Report, 29/08/2019: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> Met: Changes introduced to stop repetition: As an outcome of a whistleblower investigation, the Company indicates that 'Beyond continuous improvement for suppliers, we also looked internally at how our purchasing practices and processes may have contributed to this situation. The analysis found: Our sourcing team had limited visibility over factory capacity; and We did not have a clearly defined process for managing subcontracting risks. Based on these findings we have worked hard to improve our systems and mitigate future exposure. In June 2019, our general merchandise team launched a new product development process that includes factory capacity assessments as part of their supplier desktop review and subcontracting information on product specification briefs. Our new process for subcontracting has also been adopted across the Group. In H1F20, we will focus on training our team and suppliers on our requirements. We will continue learn from our experiences, using data and program insights to drive improvements'. [2019 Sustainability Report, 29/08/2019: woolworthsgroup.com.au] Not met: Approach to learning from incident to prevent future impacts Not met: Evaluation of the channel/mechanism

Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> • Headline: Target and H&M among Companies sourcing from forced labour camps in China • Area: Forced labour • Story: On July 15, 2019, Yahoo reported that an investigation by the ABC's Four Corners programme has unveiled evidence of detained Uyghur minority group members being forced into factory labour in China. The investigation named Target and H&M among companies as sourcing cotton for their products from the troubled Xinjiang province. The programme reportedly featured the cases of several women who say they have been forced to work in textile factories. <p>According to China scholar Adrian Zenz, these women's stories of forced labour are not isolated cases. In fact, government documents reveal plans for re-education through labour and satellite photos have shown what looks like large warehouses close to detention camps in Xinjiang. Shocking footage leaked in November 2018 showed the prison-like conditions in the province of Xinjiang where many Uighurs are detained, and the increasing surveillance of the minority group by authorities in Beijing.</p> <p>In early 2017, the Communist Party began a new incarceration campaign, rounding up, detaining and forcibly indoctrinating Uyghurs and other Muslim minority ethnic groups in the far-western region. Islam has effectively been outlawed in the far-western region, with people routinely labelled as extremists and imprisoned for practising their religion. A UN committee describes the province as resembling a "mass internment camp", with estimates more than 1 million Uyghurs have been sent to prison or re-education camps. Many of those not detained have had their passports seized and live under constant surveillance. Business Insider has previously reported in February that China's 'Belt and Road Initiative' may be a cause of the escalating oppression.</p> <p>China's Belt and Road Initiative is an ambitious programme to connect Asia with Africa and Europe via land and maritime networks along six corridors with the aim of improving regional integration, increasing trade and stimulating economic growth.</p> <ul style="list-style-type: none"> • Sources: [Dateline - 19/07/2019: sbs.com.au][ABC - 17/07/2019: abc.net.au][Business Insider - 15/07/2019: businessinsider.com.au]
E(1).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Public response available: Big W, a subsidiary of Woolworths, responded by stating the following: 'We can confirm we have no factories located in Xinjiang, China and have not received any complaints against our suppliers. We are aware, however, that some of the cotton sourced via our suppliers is likely to be from this region and we are conducting further due diligence.' However, no response to the allegations of forced labour could be found. [Big W response to Forced Labour in Xinjiang, China, 19/07/2019: business-humanrights.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
E(1).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised: The Company is a signatory of the UN Global Compact, which includes the prohibition of forced labour. [Responsible Sourcing Policy, 01/07/2018: woolworthsgroup.com.au] • Met: Policies apply to the type of business relationships involved [Responsible sourcing standards updated june 2019, 6/2019: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: The Company has specific policies against forced labour: '7.1. Suppliers have a written policy prohibiting all forms of forced labour, including but not limited to bonded, indentured, prison, or involuntary labour. [...] 7.3. Employment is freely chosen. All workers shall have the right to enter into or terminate their employment freely without fear of retaliation, threat of physical or mental coercion, or face unlawful notice periods. [...] 7.6. 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

Indicator Code	Indicator name	Score (out of 2)	Explanation
			themselves. Personal loans to workers under circumstances where repayment terms suggest debt bondage or forced labour is strictly prohibited.' Additionally, these expectations apply to suppliers' suppliers. [Responsible sourcing standards updated june 2019, 6/2019: woolworthsgroup.com.au]
E(1).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders • Not met: Encourages linked business to engage affected stakeholders • Not met: Provides remedies to affected stakeholders • Not met: Has reviewed management systems to prevent recurrence • Not met: Denies allegations, but has engaged affected stakeholders • Not met: Denies allegations, but reviewed systems to prevent such impacts <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims • Not met: Has improved systems and engaged affected stakeholders • Not met: Denies allegations, but implements review recommendations • Not met: Denies allegations, and ensures systems prevent such impacts

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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