

Corporate Human Rights Benchmark 2018 Company Scoresheet



Company Name Woolworths
Industry Agricultural Products (Supply Chain only)
Overall Score (*) 40.7 out of 100

Theme Score	Out of	For Theme
6.1	10	A. Governance and Policies
9.7	25	B. Embedding Respect and Human Rights Due Diligence
4.6	15	C. Remedies and Grievance Mechanisms
8.0	20	D. Performance: Company Human Rights Practices
7.5	20	E. Performance: Responses to Serious Allegations
4.9	10	F. Transparency

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also 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 2018 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

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: General HRs commitment: Woolworths states it is committed to respecting human rights of its team members and workers in the supply chain in alignment with the principles and guidelines of the UN Guiding Principles on Business and Human Rights. Woolworths commitment to Human Rights is defined in its Ethical Sourcing Policy. [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] • Met: UNGC principles 1 & 2: Woolworths states its commitment to respecting human rights of its own team members and workers in the supply chain in alignment with the principles and guidance of the UN Guiding Principles of Business and Human Rights. [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] • Met: UDHR: Ethical sourcing policy respects and incorporates UDHR principles. [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] Score 2 • Met: UNGPs: Woolworths is a signatory of the UNGC and UNGC core values regarding human rights, labour rights, the environment and anti-corruption are incorporated into its ethical sourcing policy. [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au]
A.1.2	Commitment to respect the human rights of workers	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: ILO Core: Woolworths Ethical Sourcing Policy incorporates and respects the 'relevant conventions' of the ILO. The policy includes references to the specific core ILO conventions. [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: UNGC principles 3-6: Woolworths is a signatory of the UNGC. [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] • Met: All four ILO for AG suppliers: The Appendix of the Ethical Sourcing Policy specifies that suppliers are required to comply with Fundamental international labour standards as defined by the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up. Other applicable standards regarding the ILO call for Decent Work are also specified. This extends to agricultural suppliers. Woolworths notes in its Ethical Sourcing Policy that "Suppliers are expected to implement and maintain systems to achieve compliance with this Policy as well as national laws. " [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: All four ILO Core: The policy includes references to the specific core ILO conventions and other relevant international conventions. [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] • Met: Respect H&S of workers: Seven points are dedicated to Working Condition H&S in the Ethical Sourcing Policy (4). [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] • Met: H&S applies to AG suppliers: Woolworths notes in its Ethical Sourcing Policy that "Suppliers are expected to implement and maintain systems to achieve compliance with this Policy as well as national laws. " [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au]
A.1.3.a.AG	Commitment to respect human rights particularly relevant to the industry - land and natural resources (AG)	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: Respect land ownership and resources: No evidence of policies discussing land ownership and resources specifically, aside from Ethical Sourcing Policy discussing environmental compliance. [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights: The Company states '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' and 'Suppliers comply with all local resources management laws (e.g. tree clearing regulations, water usage regulations, etc.)' in their Supplier Standard. However, this is not considered a commitment to respecting ownership/use of land and natural resources OR a commitment to respecting the right to water. [Responsible Sourcing Policy, 01/07/2018: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Voluntary Guidelines on Tenure • Not met: IFC Performance Standards • Not met: FPIC for all • Not met: Zero tolerance for land grabs • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights
A.1.3.b.AG	Commitment to respect human rights particularly relevant to the industry - people's rights (AG)	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: Women's rights: No mention of women's rights in either the Ethical Sourcing Policy or Ethical Audit Checklist. The Corporate Responsibility Report makes reference to efforts by the company to improve gender equality in the workplace and discloses initiatives and targets to improve the gender pay gap. This does not reference women's rights specifically. [Ethical Audit Checklist V2, 06/2016: woolworthsgroup.com.au & Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] • Not met: Children's rights: Woolworths includes ILO Convention 138 regarding child worker ages, and ILO Convention 090 regarding youth workers working at night. These are detailed in its Ethical Sourcing Policy. However, no reference to child rights beyond child labour is identified anywhere in the Ethical Sourcing Policy, Ethical Audit, Country Risk Matrix nor the Corporate Responsibility Report. [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] • Not met: Migrant worker's rights: Woolworths has a policy for engaging overseas workers disclosed on its vendor site. This policy states: "This Policy will help ensure that the rights of overseas workers in Woolworths' supply chain in Australia and New Zealand are protected, whether they are employed by our suppliers directly or through labour hire agencies or subcontractors. This Policy applies to the use of Overseas workers: at Woolworths' own sites (e.g. distribution centres and stores); or by service providers to Woolworths (e.g. trolley collection, cleaning, security, etc.); and or by suppliers of fresh produce, meat & poultry, seafood, bakery and

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>deli products, and any product produced under Woolworths Own Brand labels." No international human rights conventions or guidelines are referenced in this policy. [Policy for employing overseas workers, 11/2015: wowlink.com.au]</p> <ul style="list-style-type: none"> • Met: Expects suppliers to respect these rights: The Company clarifies that their responsible sourcing standards applies to all suppliers, including foreign migrant workers. In addition, the Company has extra standards relating to overseas or foreign migrant workers. 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. [Responsible Sourcing Standards, 01/07/2018: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: CEDAW/Women's Empowerment Principles • Not met: Child Rights Convention/Business Principles • Not met: Convention on migrant workers • Not met: Expecting suppliers to respect these rights
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 Company discloses 'Where possible, the Group seeks to work in multi-stakeholder partnerships that both scale impact and promote a coordinated approach to tackling complex issues.' 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 also states 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, 10/05/2018: 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 discloses in their Responsible Sourcing Policy 'It is important to Woolworths that effective remedies are available for affected people and communities where it is identified that our operations have caused or contributed to adverse impacts. These remedies may be provided through direct engagement with affected people and communities, or collaboration with our suppliers or other third parties. 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. Woolworths 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.' [Responsible Sourcing Policy, 01/07/2018: 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

Indicator Code	Indicator name	Score (out of 2)	Explanation
			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 Policy, 01/07/2018: woolworthsgroup.com.au] <ul style="list-style-type: none"> 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, 01/07/2018: woolworthsgroup.com.au]
A.1.6	Commitment to respect the rights of human rights defenders	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Zero tolerance attacks on HRs Defenders (HRDs): The Company states on their website: 'The Group 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. This commitment extends to the work of human rights defenders, and the expectation they can operate in a safe and respectful environment across our operations.' [Promoting better labour practices in our global supply chains, 10/05/2018: woolworthsgroup.com.au] Score 2 <ul style="list-style-type: none"> Not met: Expects AG suppliers to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: CEO or Board approves policy: Responsible Sourcing Policy and human rights commitments signed by CEO and Board Member Brad Banducci. [Responsible Sourcing Policy, 01/07/2018: woolworthsgroup.com.au] Met: Board level responsibility for HRs: Sustainability Committee is a Board Committee which overlooks policies regarding safety and health, community and social responsibility, environment, reputation and compliance. The Responsible Sourcing Policy states 'Governance oversight of our approach to human rights management is provided by the Board Sustainability Committee.' [Sustainability Committee Charter, 27/02/2015: woolworthsgroup.com.au & Responsible Sourcing Policy, 01/07/2018: woolworthsgroup.com.au] Score 2 <ul style="list-style-type: none"> Met: Speeches/letters by Board members or CEO: On the 22nd of November, Woolworths Group CEO, Brad Banducci said; "Our belief is that finding the right solution to address human rights risks in horticultural supply chains in Australia will be best achieved by working collaboratively with farmers, governments and unions." This media release went on to discuss efforts with the ACCR to improve labour supply-chain HR policies and processes. [Woolworths reaffirms commitment to improving labour rights in fresh food supply chains, 10/05/2018: woolworthsgroup.com.au]
A.2.2	Board discussions	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Board/Committee review of salient HRs: The Sustainability Committee is responsible for human rights issues. The Company discloses 'We have developed an organisational structure and accountability to embed human rights management into our business. Governance oversight of human rights management is provided by the Board's Sustainability Committee..' [Sustainability Committee Charter, 27/02/2015: woolworthsgroup.com.au & Promoting better labour practices in our global supply chains, 10/05/2018: woolworthsgroup.com.au] Not met: Examples or trends re HR discussion: 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. However, the company has not provided an example of a trend or discussion related to human rights discussed at the board. [Promoting better labour practices in our global supply chains, 10/05/2018: woolworthsgroup.com.au] Score 2 <ul style="list-style-type: none"> Not met: Both examples and process
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Incentives for at least one board member Not met: At least one key AG HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> Not met: Performance criteria made public

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

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: Senior responsibility fo HR (inc ILO): 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, 10/05/2018: woolworthsgroup.com.au] <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, 10/05/2018: woolworthsgroup.com.au] • Met: Day-to-day responsibility in supply chain: The Company discloses 'Senior management in each business are 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, 10/05/2018: woolworthsgroup.com.au]
B.1.2	Incentives and performance management	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: Senior manager incentives for human rights • Not met: At least one key AG HR risk, beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	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: HR part of enterprise risk system <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment: Ethical Audit document exists, however it appears to be undertaken in-house and it is not clear how it relates to the performance of any roles. [Ethical Audit Checklist V2, 06/2016: woolworthsgroup.com.au]
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	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: Communicates its policy to all workers in own operations: The Company has disclosed to the CHRB that they launched the Responsible Sourcing Policy internally through briefing sessions across the different business units the week commencing 25th June 2018. However, it is not clear how it communicates its policy commitment(s) to all workers, including local languages where necessary. [CHRB Engagement Response, 01/07/2018] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Communication of policy commitments to stakeholder • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	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: Steps to communicate policy commitments to BRs: The Company website states that suppliers are required to complete the Supplier Capability Self-assessment for each of their production facilities. The Supplier Self-assessment questionnaire includes requirements for assessment of quality, ethical, financial and commercial capability. [Promoting better labour practices in our global supply chains, 10/05/2018: woolworthsgroup.com.au] • Met: Including to AG suppliers: The Ethical sourcing verification for new suppliers extends to own and exclusive brands for offshore suppliers. The Company also disclosed 'We require our direct suppliers to communicate this Policy to their own

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>suppliers and extend the principles of this Policy through their supply chain. We are committed to working with our suppliers to implement improvement plans and help them achieve compliance.' [Promoting better labour practices in our global supply chains, 10/05/2018: woolworthsgroup.com.au]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Met: How HR commitments made binding/contractual: The Compliance with Woolworths' Responsible Sourcing Policy is a requirement for supplying goods to Woolworths in accordance with Woolworths' Vendor Trading Terms. According to Woolworths' Vendor Trading Terms, suppliers are required to comply with Woolworths' policies set out on our supplier portal, Wowlink. [WOWLINK portal, 17/08/2018: wowlink.com.au] • Met: Including on AG suppliers: The Ethical Sourcing Policy states that "This Policy applies to all Woolworths suppliers no matter where they operate in the world and it is complemented by a compliance audit program predominantly for suppliers of our own brand products based on the risk rating of the country of origin." The ethical audit process is available on the website. Separate to this, Woolworths has disclosed to the ACCR in response to the previous CHRB assessment that: "The supplier segmentation work currently being undertaken as part of our ethical sourcing review includes specific supplier surveys as part of the information collection phase to build a more insightful view of risk." The Company states "We require our direct suppliers to communicate this Policy to their own suppliers and extend the principles of this Policy through their supply chain." [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au]
B.1.5	Training on Human Rights	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: Trains all workers on HR policy commitments: The Company discloses 'We will be rolling out training over the coming year to increase the awareness of all team members on the topic of human rights and our commitment in this area.' However, it is not clear if the company already trains their workers on its Human rights commitments and policy. [Promoting better labour practices in our global supply chains, 16/08/2018: woolworthsgroup.com.au] • Not met: Trains relevant managers including procurement: The Company adds 'For our buying and sourcing teams, we will implement more targeted training on how to better incorporate respect for human rights into business decisions.' Furthermore the Company discloses The Group will support suppliers to understand and embed our Responsible Sourcing Standards. We will do this through information sessions, guidance documents, training materials and, in higher-risk categories, establishing communities of practice.' However, it is not clear if the company already trains their workers on its Human rights commitments and policy. [Promoting better labour practices in our global supply chains, 16/08/2018: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met: As above [Promoting better labour practices in our global supply chains, 16/08/2018: woolworthsgroup.com.au]
B.1.6	Monitoring and corrective actions	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: Monitoring implementation of HR policy commitments: Woolworths reports that as per ethical audits 79.5% of its suppliers are conditionally approved, 18.5% approved, and 2% are at risk with regards to its ethical policy. Numbers of major, minor and critical corrective action has also been disclosed. This is disclosed in its Corporate Responsibility 2017 report. However, there is no further information to indicate that the Company any human rights monitoring systems for its own operations. <p>The Company has disclosed ' we will conduct an annual supplier risk assessment. This assessment is based on a number of factors including country risk, third-party social compliance data and the nature of the supplier arrangement.</p> <p>Based on this assessment, suppliers will be categorised into four risk segments and this segmentation will determine the activities suppliers are required to complete in order to verify compliance with the Standards. These include, but are not limited to:</p> <p>Attending training and education sessions Completing a supplier self -assessment questionnaire (SAQ)</p>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Submitting an audit under our third-party social compliance 'Mutual Recognition' scheme</p> <p>Agreeing to and implementing a corrective action plan</p> <p>Demonstrating continuous improvement</p> <p>Announced and unannounced factory or site visits. ' [Corporate Responsibility Report, 2017: woolworthsgroup.com.au]</p> <ul style="list-style-type: none"> • Met: Monitoring AG suppliers: Woolworths has introduced a Supplier Excellence Training program delivered by SAI Global that trains all suppliers on the Engaging Overseas Employers Policy and other Codes of Practice. Verification checks on existing suppliers was also disclosed in the Corporate Responsibility Report, however no specific figures were reported. [Corporate Responsibility Report, 2017: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes corrective action process: Woolworths Corporate Responsibility report discloses that ethical audits yielded 816 major corrective actions, 230 minor corrective actions, and 41 critical corrective actions. The Company discloses 'Factories at risk or that need critical corrective actions cannot start production for Woolworths until these issues are resolved.' [Corporate Responsibility Report, 2017: woolworthsgroup.com.au & Promoting better labour practices in our global supply chains, 16/08/2018: woolworthsgroup.com.au] • Not met: Example of corrective action • Met: Discloses % of supply chain monitored: Woolworths reports that as per ethical audits 79.5% of its suppliers are conditionally approved, 18.5% approved, and 2% are at risk with regards to its ethical policy. [Corporate Responsibility Report, 2017: woolworthsgroup.com.au]
B.1.7	Engaging business relationships	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: HR affects selection of suppliers: Ethical sourcing verification of all suppliers follows a three step process: capability assessment, site inspection and factory ethical audit. Once these are undertaken, a further ethical sourcing audit is completed on the supplier. [Promoting better labour practices in our global supply chains, 10/05/2018: woolworthsgroup.com.au] • Met: HR affects on-going supplier relationships: Human rights risks subject to the Company's ethical sourcing audit are assessed based on the Woolworths country risk matrix. Facilities [suppliers] in countries rated very high, high and moderate are subject to the full scope of the ethical sourcing audit while other ratings are exempt. Outcomes from audits are reported in the Company's annual Corporate Responsibility Report. [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, 10/05/2018: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirement under score 1 met: Ethical sourcing verification of all suppliers follows a three step process: capability assessment, site inspection and factory ethical audit. Once these are undertaken, a further ethical sourcing audit is completed on the supplier. [Promoting better labour practices in our global supply chains, 10/05/2018: woolworthsgroup.com.au] • Not met: Working with suppliers to improve performance: Woolworths runs a Supplier Excellence Training program via SAI global for all of its suppliers with regards to its full host of policies. However, the Company provides no specific example where is has worked with a supplier to improve their human rights performance. [SAI Global: Woolworths Supplier Excellence Program, 10/05/2018: saiglobal.com & Woolworths Group's Response on Ethical Sourcing and Supply Chain Human Rights, 42986: woolworthsgroup.com.au]
B.1.8	Approach to engagement with potentially affected stakeholders	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: Stakeholder process or systems: Aside from Uzbek cotton (issue from previous years), the company has not disclosed any analysis of HR actions that have been taken or supplier views on particular HR issues. • Not met: Frequency and triggers for engagement • Not met: Workers in SC engaged • Not met: Communities in the SC engaged <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
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: 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. [Corporate Responsibility Report, 2017: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • 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. [Corporate Responsibility Report, 2017: woolworthsgroup.com.au] • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • 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 Woolworthsethical 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): Supplier country risk is assessed on a country risk matrix, after which ethical audit process takes place. [Corporate Responsibility Report, 2017: woolworthsgroup.com.au] • Not met: Public disclosure of salient risks: Ethical Audit status and Corrective Action Plan severity is disclosed in the Corporate Responsibility Report. However, no evidence found of the Company specifying which are the salient risks in their operations and locations. [Corporate Responsibility Report, 2017: woolworthsgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • 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 Ethical Sourcing Policy and Policy for Employing or Engaging Overseas Workers. [Woolworths reaffirms commitment to improving labour rights in fresh food supply chains, 10/05/2018: woolworthsgroup.com.au] • 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] • Met: Including in AG supply chain <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 • 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

Indicator Code	Indicator name	Score (out of 2)	Explanation
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: 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. However the risks identified, steps taken to mitigate them, and how successful these steps have been, are not communicated clearly. • Not met: Comms plan re assessing risks • Met: Comms plan re action plans for risks: The Company has communicated in its publicly available sources that it has a system to take action to prevent, mitigate or remediate its salient human rights issues and has provided an example. [Woolworths reaffirms commitment to improving labour rights in fresh food supply chains, 10/05/2018: woolworthsgroup.com.au & Uzbek Cotton Policy, 25/08/2014: woolworthsgroup.com.au] • Not met: Comms plan re reviewing action plans • Not met: Including AG suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

C. Remedies and Grievance Mechanisms (15% of Total)

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 discloses a Speak Up program via its WOWLink vendor website. The program is specified as an independent service provided by Deloitte. Possible infringements that can be reported are noted, such as corruption, fraud, and unconscionable conduct, although HR infringements is not specified as an example. Separately, Speak Up is also listed on the company Code of Conduct for all employees and a Speak Up Policy is disclosed. The Speak Up program has a phone number, email address and contact names listed in the Code of Conduct, which is publicly accessible. The Company notes that: "The Vendor Speak Up Service is open to any vendor, contractor or consultant (trading partner) who provides goods or services to the Company, whether domestically or overseas." [Code of Conduct, 43070: woolworthsgroup.com.au & Speak Up Deloitte, 43230: vendorspeakup.deloittedigital.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Not met: Channel is available in all appropriate languages • Met: Expect AG supplier to have equivalent grievance systems: The company's Ethical Audit Checklist for suppliers includes a requirement for suppliers to provide "confidential communications channels for employees to report incidents of bribery and corruption". [Ethical Audit Checklist V2, 06/2016: woolworthsgroup.com.au] • Not met: Opens own system to AG supplier workers
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	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: Grievance mechanism for community: The company's Speak Up program is not specified for community or non-employee stakeholders. Customers are able to complain via the Woolworths product site feedback form, but this is not specific to human rights. [Help and Support, 10/05/2018: woolworths.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes accessibility and local languages: The WOWLINK website lists local phone options for Hong Kong and China, and clarifies they are accessible in local languages. • Met: Expects AG supplier to have community grievance systems: The company's Ethical Audit Checklist for suppliers includes a requirement for suppliers to provide "confidential communications channels for employees to report incidents of bribery and corruption". [Ethical Audit Checklist V2, 06/2016: woolworthsgroup.com.au] • Not met: AG supplier communities use global system: There is no evidence that the company's Vendor Speak Up policy extends to supply chain external communities - only vendors and employees are specified.

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	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 users to create or assess system: Woolworths Corporate Responsibility Strategy 2020 identifies collaborating with stakeholders through dialogue, as well as noting plans to "establish common platforms for the discussion and development of solutions such as developing resilience to climate impacts and sharing knowledge with our suppliers on emissions reduction strategies and energy productivity improvements." Aside from this, no description has been provided of how users are engaged in the design of Human Rights systems. [Corporate Responsibility Strategy 2020, 10/05/2018: woolworthsgroup.com.au] • Not met: Description of how they do this <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AG suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	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: Response timescales: The Woolworths Speak Up Policy notes that the Chief Legal Officer and Chief People Officer receive Speak Up reports and the CLO becomes directly involved in a case where the matter becomes serious. [Vendor Speak Up Policy, 43228: wowlink.com.au] • Met: How complainants will be informed: The Company discloses 'Typically, Deloitte will provide you with progress reports in respect of Woolworths' investigations based on feedback received from Woolworths, and a report of the outcome and of any internal or external remedial actions by Woolworths arising from the complaint.' [WOWLINK portal, 17/08/2018: wowlink.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Escalation to senior/independent level: The Woolworths Speak Up Policy notes that the Chief Legal Officer and Chief People Officer receive Speak Up reports and the CLO becomes directly involved in a case where the matter becomes serious. No timescales are provided. Separately, Woolworths noted in its response to CHRB in 2017 that breaches of the ethical audit will be escalated as follows The Company discloses "Woolworths has a process in place for breaches of our ethical sourcing policy, which involves the formation of an internal cross-functional team (including representatives from the Commercial / Quality / Sustainability and Legal departments) to conduct an internal investigation and determine the appropriate course of action with the supplier. This may include: A temporary or permanent stop trade, Issuance of a breach notice; Notifying Fair Work or relevant authorities of any illegal activity; Additional Ethical Audits being undertaken with the supplier." [Vendor Speak Up Policy, 43228: wowlink.com.au & Woolworths Group's Response on Ethical Sourcing and Supply Chain Human Rights, 42986: woolworthsgroup.com.au]
C.5	Commitment to non-retaliation over complaints or concerns made	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: Public statement prohibiting retaliation: The Woolworths Speak Up Policy specifically notes a clause on 'Non-Retaliation', stating : "• The Company is committed to ensuring that no individual or company is disadvantaged after they raise a matter in good faith. • A person proposing to submit a report to Speak Up should ensure that there is factual basis for the report. • Retaliation of any type against an individual or company who brings forward a concern in good faith is not acceptable. " [Vendor Speak Up Policy, 43228: wowlink.com.au & Woolworths Group's Response on Ethical Sourcing and Supply Chain Human Rights, 42986: woolworthsgroup.com.au] • Met: Practical measures to prevent retaliation: The Company discloses '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 chain.' The Company wowlink resource states 'Telephonic submissions made to the Speak Up service will be dealt with by call centre operators who are specially trained to gather and record sensitive information. All concerns are then documented and a report is sent to a nominated independent Woolworths representative to escalate.' Furthermore, the speakout mechanism is operated by a third party - Deloitte. [Speak Up Deloitte, 43230: vendorspeakup.deloittedigital.com & Promoting better labour practices in our global supply chains, 10/05/2018: woolworthsgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects AG suppliers to prohibit retaliation
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Won't impede state based mechanisms: The Company discloses in their Standards " 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, 01/07/2018: woolworthsgroup.com.au] • Not met: Complainants not asked to waive rights Score 2 <ul style="list-style-type: none"> • Met: Will work with state based or non judicial mechanisms: As above. [Responsible Sourcing Standards, 01/07/2018: woolworthsgroup.com.au] • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks: The Company outlines how it would respond to critical non compliances by suppliers. However it does not discuss remedies. [Ethical Audit Checklist V2, 06/2016: woolworthsgroup.com.au & Country risk ratings and countries subject to Woolworthsethical sourcing audits, 25/04/2014: woolworthsgroup.com.au] Score 2 <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.1.b	Living wage (in the supply chain)	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Living wage in supplier code or contracts: The Responsible Sourcing Standards, which is a code for suppliers and own operations, covers information regarding living wages. [Responsible Sourcing Standards, 01/07/2018: woolworthsgroup.com.au] • Met: Improving living wage practices of suppliers: In their Responsible Sourcing Standards the Company discloses 'we strive to work closely with our suppliers to promote freedom of association and collaborative bargaining, as well as better wage management systems. We will also collaborate with global organisations to move towards achieving living wages, not just minimum wages, for all workers and their families'. [Responsible Sourcing Standards, 01/07/2018: woolworthsgroup.com.au] Score 2 <ul style="list-style-type: none"> • Met: Both requirements under score 1 met: The Responsible Sourcing Standards, which is a code for suppliers and own operations, covers information regarding living wages. This stipulates improving the living wage practices of suppliers too. [Responsible Sourcing Standards, 01/07/2018: woolworthsgroup.com.au] • Not met: Provides analysis of trends in progress made
D.1.2	Aligning purchasing decisions with human rights	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Avoids business model pressure on HRs (purchasing practices) • Not met: Positive incentives to respect human rights (purchasing practices) Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
D.1.3	Mapping and disclosing the supply chain	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Identifies suppliers back to manufacturing sites (factories or fields): Suppliers are mapped to countries and disclosed as number of producers in each country. [Sites Approved to Trade, 42461: woolworthsgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: Discloses significant parts of SP and why: Although the company disclosed the supplier and source countries, that is not sufficient to award this indicator. The company needs to disclose name and address of suppliers. [Sites Approved to Trade, 42461: woolworthsgroup.com.au]
D.1.4.b	Child labour: Age verification and corrective actions (in the supply chain)	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: Child Labour rules in codes or contracts: Suppliers are expected to abide by the Ethical Sourcing Policy and are checked as per ethical audits. The Ethical Sourcing Policy states: '5.1 Use of child labour is strictly prohibited. If children are found to be working directly or indirectly for the supplier, the supplier shall seek a sensitive and satisfactory solution that puts the best interest of the child first. 5.2 Suppliers shall comply with the national minimum age for employment or the age of completion of compulsory education and shall not employ any person under the age of 15, whichever of these is higher. However, if local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, this lower age may apply. 5.3 Young workers under 18 years of age must not be employed to work at night in accordance with the ILO Convention 090. 5.4 Young workers must not be employed in conditions which compromise their health, safety or moral integrity, and/or which harm their physical, mental, spiritual, moral or social development.' [Ethical Audit Checklist V2, 06/2016: woolworthsgroup.com.au] • Not met: How working with suppliers on child labour <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.5.b	Forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	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: Debt and fees rules in codes or contracts: Ethical Sourcing Policy notes that "Workers are not permitted or encouraged to incur debt through recruitment fees, fines or other means.", that "Wages and benefits paid for a standard working week shall meet or exceed, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income for workers and their families" and that "Deductions from wages as a disciplinary measure or any deductions from wages not provided for by Law shall not occur without the expressed permission of the worker concerned. All disciplinary measures should be recorded." Supplier Ethical Audits include indicator on workers paid in a "timely manner". [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] • Not met: How working with suppliers on debt & fees <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.5.d	Forced labour: Restrictions on workers (in the supply chain)	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: Free movement rules in codes or contracts: Ethical Sourcing Policy states that "Workers are not required to lodge deposits or their identity papers with their employer and are free to leave their employer after reasonable notice. "Suppliers are expected to abide by the Ethical Sourcing Policy and are checked as per ethical audits. [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] • Not met: How working with suppliers on free movement <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.6.b	Freedom of association and collective bargaining (in the supply chain)	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: FoA & CB rules in codes or contracts: Suppliers are expected to abide by the Ethical Sourcing Policy (which includes CBA and FoA) and are checked as per ethical audits. [Ethical Sourcing Policy, 10/05/2018: woolworthsgroup.com.au] • Not met: How working with suppliers on FoA and CB: Ethical Audits would reveal where suppliers are not meeting FoA and CBA requirements, and corrective action plans may be put in place. However not all suppliers undergo ethical audits (e.g. when they are not considered high risk), therefore no other evidence that the company works with suppliers specifically on these measures. [Ethical Audit Checklist V2, 06/2016: woolworthsgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in progress made
D.1.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	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"> • Met: Sets out clear Health and Safety requirements: The Responsible Sourcing Policy sets out Working Conditions, Health and Safety. All suppliers are expected to comply and are audited against the Ethical Audit Checklist which contains OH&S indicators. The WOWLink site for vendors also specifies that "Every Woolworths Limited Contractor is required to comply with the Woolworths Limited policies, procedures and programs regarding Safety, Health and the Environment (SH&E). Contractors are also required to observe directions on health and safety given by designated Woolworths Limited Officers" [Policy for employing overseas workers, 11/2015: wowlink.com.au & Responsible Sourcing Standards, 01/07/2018: woolworthsgroup.com.au] • Not met: Injury Rate disclosures • Not met: Lost days or near miss disclosures • Not met: Fatalities disclosure <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How working with suppliers on H&S • Not met: Provide analysis of trends in progress made
D.1.8.b	Land rights: Land acquisition (in the supply chain)	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: Rules on land & owners in codes or contracts • Not met: How working with suppliers on land issues <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in the progress made
D.1.9.b	Water and sanitation (in the supply chain)	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: Rules on water stewardship in codes or contracts: The Responsible Sourcing standards states "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....15.7. Potable drinking water shall be provided to all workers in dormitories and canteens...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." [Responsible Sourcing Standards, 01/07/2018: woolworthsgroup.com.au] • Not met: How working with suppliers on water stewardship issues <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.1.10.b	Women's rights (in the supply chain)	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: Women's rights in codes or contracts: The non-discrimination section of the Responsible Sourcing Standards sets out the following standards '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.' [Responsible Sourcing Standards, 01/07/2018: woolworthsgroup.com.au] • Not met: How working with suppliers on women's rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made

E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> • Area: Forced labour • Headline: Woolworths Supply chain alleged to be involved in slavery, human trafficking and forced labour in Thailand • Sources: theguardian.com and Company website woolworthsgroup.com.au • Allegation: In 2015 an investigative report by the Associated Press alleged slavery, human trafficking and forced labour at shrimp peeling facilities in Thailand that supply major supermarkets including Woolworths, Safeway, Kroger, Wal-Mart, Olive Garden a subsidiary of Darden Restaurants, and the retailer Dollar General. <p>The investigation focused on the Gig Peeling Factory in Samut Sakhon, which supplies the second largest Thai sea food supplier Thai Union as well as others, but makes clear there are other peeling sheds that also illicitly supply major exporters.</p> <p>The investigation focused on the Gig Peeling Factory in Samut Sakhon, which supplies the second largest Thai sea food supplier Thai Union as well as others, but makes clear there are other peeling sheds that also illicitly supply major exporters. Employees at the Gig Peeling Factory were alleged to be migrant workers and children and were reportedly subject to human rights abuses including being beaten, detained, trapped, forbidden to talk with colleagues and forced to work 16-hours a day sometimes without pay. Most workers were migrants from Burma without visas or work permits, it was reported. They were sold by a broker with promises of well-paid jobs, but expected to pay their debt to the employer (the purchaser) or the boat owner. When complaining, employees are alleged to be threatened because of their illegal status. Documented migrants were also vulnerable because their employer held on to identification papers so they could not leave.</p>
E(1).1	The Company has responded publicly to the allegation	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: Public response available: The Company has indicated through the press that 'we will investigate this further with our supplier and seek advice from our NGO partners'. <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 • Met: Policies apply to the type of business relationships involved <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: The Company's Ethical sourcing policy prohibits forced labour at their suppliers (included indebted labour, bonded labour, no restriction of movement outside of working hours). In addition, Woolworths' new Responsible Sourcing Program covers the issues, such as indebted labour and the retention of documents, mentioned in the allegations.
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 improved systems and engaged affected stakeholders <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
E(2).0	Serious allegation No 2		<ul style="list-style-type: none"> • Area: Forced labour • Headline: Baiada Adelaide chicken factory • Sources: Australian Financial Review, 05/05/2015 Fair Work Ombudsman press release, 07/05/2015 and 06/06/2015 - fairwork.gov.au ABC, 17/06/2015 abc.net.au ABC, 04/05/2015 abc.net.au and abc.net.au • Allegation: In May 2015, an ABC TV Four Corners report alleged that suppliers to large Australian retailers, including Woolworths and KFC, were exploiting their migrant workforces. The report looked at Baiada, which allegedly supplied the Company, amongst other retailers, with Steggles and Lilydale chickens. The ABC programme interviewed two workers who said they worked up to 18 hours per day, seven days a week. There were also allegations of abuse as one interviewee alleged that 20 women in the processing line cutting chickens were all crying from the pain in their hands, while their supervisor verbally abused them. Workers at

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>the Baiada Adelaide chicken factory were employed via KC Fresh Choice, an employment agency.</p> <p>A few months later The Fair Work Ombudsman also released the findings of its inquiry from November 2013 (sparked by another TV investigation) into Baiada Group work practices, which examined complaints that workers were underpaid, forced to work extremely long hours and required to pay high rents for overcrowded and unsafe employee accommodation. It found non-compliance with international regulation poor standards of governance and exploitation of labour.</p>
E(2).1	The Company has responded publicly to the allegation	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: Public response available: The Company has responded saying that it takes its suppliers' obligations to act ethically and within the law very seriously. "We require all suppliers when they sign contracts with us to comply with Australian laws" <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
E(2).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 • Met: Policies apply to the type of business relationships involved <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: The Company has published its ethical sourcing policy on the corporate website, which it states is based on ILO conventions, the Ethical Trading Initiative and the principles of the United Nations Universal Declaration of Human Rights. The policy limits the regular working week to 48 hours, requires workers to have at least one day off in seven, and states that overtime should be voluntary and not excessive or regular. <p>The policy also states: 'There is no forced, bonded or involuntary prison labour. Workers are not required to lodge deposits or their identity papers with their employer and are free to leave their employer after reasonable notice.' The policy also specifies that: 'Only workers with a legal right to work shall be employed or used by the supplier. All workers, including employment agency staff must be validated by the supplier for their legal right to work by reviewing original documentation. The supplier shall implement processes to enable adequate control over agencies with regards to the above points and related legislation.'</p>
E(2).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: The Fair Work Ombudsman has imposed systems changes on the supplier in order to prevent a recurrence of the breach (see below). The Company expects all of its suppliers to comply with its ethical sourcing policy and has an audit programme in place which is predominantly for suppliers of own brand products. Audits are conducted by third-party certification bodies. The Company states that: 'Breach of any specific critical criterion will result in a request for immediate resolution or corrective action by the supplier. The Company is a member of the Global Social Compliance Program, which aims to improve working and environmental conditions across the consumer goods supply chains. <p>In November 2015, Baiada entered into a three-year 'Proactive Compliance Deed' with the Fair Work Ombudsman which encompasses various measures, including:</p> <ul style="list-style-type: none"> • auditing requirements to ensure the contractor or subcontractor has complied with Commonwealth Workplace Laws and Fair Work Instruments • training of workers to ensure knowledge of their rights and entitlements • taking all reasonably necessary and practicable steps to ensure each contractor and subcontractor provides Baiada written certification of its contractual obligations to comply with Commonwealth Workplace Laws • setting up a hotline service • setting aside money to reimburse any workers found to have been underpaid since 1 January 2015 <p>However, there is no evidence whether Woolworth have taken steps to improve its own systems.</p> <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

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	2.86 out of 4	Out of a total of 42 indicators assessed under sections A-D of the benchmark, Woolworths made data public that met one or more elements of the methodology in 30 cases, leading to a disclosure score of 2.86 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> • Met: Company reports on GRI: Woolworths Corporate Responsibility Report is developed in line with the GRI. [Corporate Responsibility Report, 2017: woolworthsgroup.com.au] • Not met: Company reports on SASB • Met: Company reports on UNGPRF: Woolworths states commitment to respecting human rights in line with UNGP on Business and Human rights, but does not report on UNGPRF. [Promoting better labour practices in our global supply chains, 10/05/2018: woolworthsgroup.com.au]
F.3	Key, High Quality Disclosures	0 out of 4	Woolworths met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly <ul style="list-style-type: none"> • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus <ul style="list-style-type: none"> • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management

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 2018 Key Findings report for more details of the research process.

The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

No representation or warranty is given that the material in the Benchmark is accurate, complete or up-to-date. The material in the Benchmark is based on information that we consider correct and any statements, opinions, conclusions or recommendations contained therein are honestly and reasonably held or made at the time of publication. Any opinions expressed are our current opinions as of the date of the publication of the Benchmark only and may change without notice. Any views expressed in the Benchmark only represent the views of CHRB Ltd, unless otherwise expressly noted.

While the material contained in the Benchmark has been prepared in good faith, neither CHRB Ltd nor any of its agents, representatives, advisers, affiliates, directors, officers or employees accept any responsibility for or make any representation or warranty (either express or implied) as to the truth, accuracy, reliability or completeness of the information contained in this Benchmark or any other information made available in connection with the Benchmark. Neither CHRB Ltd nor any of its agents, representatives, advisers, affiliates, directors, officers and employees undertake any obligation to provide the users of the Benchmark with additional information or to update the information contained therein or to correct any inaccuracies which may become apparent (save as to the extent set out in CHRB Ltd's appeals procedure). To the maximum extent permitted by law any responsibility or liability for the Benchmark or any related material is expressly disclaimed provided that nothing in this disclaimer shall exclude any liability for, or any remedy in respect of, fraud or fraudulent misrepresentation. Any disputes, claims or proceedings this in connection with or arising in relation to this Benchmark will be governed by

and construed in accordance with English law and submitted to the exclusive jurisdiction of the courts of England and Wales.

As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.