

WOOLWORTHS HOLDINGS ETHICAL TRADE POSITION STATEMENT

OUR VISION AND VALUES

A strong value system is the foundation of our brand and is well integrated into the way we do business, measure performance and reward the right behavior. In particular our value of 'sustainability' helps us build a shared vision and plan for success, support and initiate change and embrace diversity. We are committed to ensuring that both Woolworths Holdings Limited (WHL) and our suppliers operate in a way that respects workers' rights, maintains safe working conditions, upholds local employment laws and protects the environment and the welfare of animals. Not only is this what our customers expect, but we believe that suppliers and business partners that share our values, with safe, environmentally responsible and fair working conditions, produce the best quality goods.

OUR APPROACH

Caring for our planet and the people we support through our business is an integral part of WHL. We consolidated all our efforts to support both people and planet under one programme in 2007, which we called our Good Business Journey. Ethical trade is embedded as a key focus area of our Good Business Journey.

Our approach to ethical trade is broadly built around a number of key elements:

- Building internal awareness and capacity around ethical trade;
- Ensuring we work with suppliers and business partners who share our values;
- Monitoring supplier performance to identify issues;
- Addressing problems where they arise and supporting our suppliers to align with WHL best practice;
- Building capacity in the supply chain, as a means of improving social and environmental outcomes;
- Engaging our stakeholders on ethical trade matters;
- Working with others to tackle complex and systemic problems that we cannot tackle on our own; and
- Driving transparency - being open and honest about our challenges and progress.

OUR WAYS OF WORKING

Our ethical trade programme is delivered by a wide range of commercial teams, overseen by a specialist sourcing and sustainability team, including local staff in some key supplying countries. We are dedicated to responsible sourcing throughout our supply chain and we work with suppliers to continuously improve standards across our supply base and build long term partnerships. All our suppliers, service providers and business partners, whatever their location, are bound by our supplier code of conduct or that of each of our respective businesses. Suppliers providing our own brand products are regularly audited to ensure adherence to our codes and in order to improve outcomes over time.

As a large diversified retailer we source across a wide range of sectors and countries. Overall, our trade helps to create and sustain jobs that in general enable workers to enjoy better conditions than in the past. We are guided by government policy in the countries in which we operate, and also look at United Nations Watchlists in our country sourcing strategy.

We believe that the most sustainable way to drive improvements is to work collaboratively, as signatories to the UN Global Compact, via the SEDEX programme (the Supplier Ethical Data Exchange) and using the conventions of the International Labour Organisation (ILO) and guidance from the Ethical Trading Initiative (ETI) Base Code to underpin our programme, and to help determine principles specific to Woolworths Holdings.

WHL supports the following Ethical Trading Principles:

1. That **employment be freely chosen**, not forced, bonded or resulting in involuntary prison labour;
2. That **freedom of association** and the right to collective bargaining is respected;
3. That **working conditions are safe** and hygienic;
4. That **child labour** will not be permitted;
5. That **at least the minimum wage** should be paid;
6. That **working hours are not excessive**;
7. That **discrimination** should never be permitted or tolerated;
8. That **regular employment** is provided;
9. That **harsh or inhumane treatment** should not be allowed;
10. Commitment to **compliance with all applicable environmental laws** and regulations and a commitment to environmental efficiency and improvement over time;
11. That **animal welfare** is promoted by the minimising of any potential harm, stress or pain to animals;
12. That **bribes, favours, benefits** or other similar unlawful or improper payments, in cash or kind, whether given to obtain business or otherwise is prohibited; and
13. Commitment in South Africa to the principles of **Broad-Based Black Economic Empowerment** as set out in the Department of Trade and Industry (DTI) B-BBEE Codes of Good Practice and requiring our South African suppliers and contractors' to do the same.