

WOOLWORTH GmbH Policy Statement

MISSION STATEMENT

Woolworth has always stood for diversity and fairness. At Woolworth GmbH, we acknowledge our social responsibilities and are committed to implementing social standards and environmental requirements in our own field of business and supply chain. That's why Woolworth takes special care to ensure protection of human rights and adherence to applicable social standards, and to prevent environmental damage.

Woolworth GmbH conducts its business operations on the basis of the Woolworth Code of Conduct (2204 Code of Conduct – full English version ([woolworth.de](https://www.woolworth.de))). We are committed to these values.

This policy statement provides a binding description of how supply-chain-related risks are handled. It forms the basis for the conduct of Woolworth GmbH and is obligatory for all employees and suppliers of Woolworth GmbH.

Unna, 15.09.2023

Woolworth GmbH Management Board

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THE WOOLWORTH GMBH APPROACH TO EXERCISING DUE DILIGENCE

1. Risk management

Within the scope of the various business activities of a globally active commercial enterprise, people at Woolworth GmbH and along its supply chains are exposed to different environmental and human-rights-related risks. An extensive, uniform approach to managing these risks helps to protect the reputation and credibility of Woolworth GmbH, but first and foremost to prevent or minimise violations of the human rights and environment-related rights of those potentially affected. This is how Woolworth GmbH builds trust among its employees, business partners, suppliers and customers.

In doing so, Woolworth GmbH views the management of environmental and human-rights-related risks as a continuous process which is firmly integrated into operational processes.

We carry out extensive analyses of abstract and concrete risks to identify potential negative effects on human rights, and the environment, as well as those potentially affected in our own field of business and supply chains. In doing so, we take into account vulnerable groups and in particular industry-, raw-material-, and country-specific risks in our own field of business and supply chains. In the second step, the suppliers and companies for which there is a higher risk disposition are assessed in terms of high-priority environmental and human-rights-related risks as part of a concrete risk analysis. The initial high-risk suppliers are then assessed in greater detail. This assessment ranges from additional internal research to requests for information and if necessary certificates, through to conducting our own audits on the suppliers' premises.

In ongoing risk monitoring, information about all suppliers is recorded gradually and the suppliers are assessed at least once a year. Suppliers who only exhibit low risk are subject to annual assessments. Suppliers with higher risk are treated according to their level of risk, as described in Item 4.

Woolworth uses the findings to identify specific high-priority risks and define appropriate goals for the avoidance and minimisation of these risks. The results of the risk analyses are continuously integrated into the corporate decision-making processes of Woolworth GmbH as regards purchasing strategies and the selection and management of suppliers.

2. Preventive measures

Woolworth GmbH establishes guidelines and processes to minimise risks throughout the supply chain. Employees receive training and sensitivity training

to allow continuous monitoring of the suitability of targets and measures as well as procurement and purchasing strategies for establishing awareness of human rights and environmental issues amongst the workforce. With the help of a regularly updated catalogue of measures, we pursue the goal of avoiding or minimising environmental and human-rights-related risks in every decision about suppliers.

Woolworth GmbH uses systematic supply-chain management to tackle the identified environmental and human-rights-related risks that could exist in the supply chain. This begins with close cooperation with the suppliers and commitment on the level of the production facilities. Woolworth GmbH supports its suppliers with training on the requirements of the Supply Chain Due Diligence Act and on the company's expectations as set out in the Woolworth Code of Conduct. We also formulate requirements for the supply chain which enable appropriate monitoring of the actors within it. We consider environmental and human-rights-related risks early on when selecting suppliers.

Through our initial risk analyses, we have identified the working conditions of Asian suppliers' employees as a major risk. Therefore, we place particular focus on this risk when communicating with our business partners, without ignoring other risk factors. Based on the results of our initial analysis, we are focusing primarily on the occupational safety risk area in our own operations. Woolworth GmbH will publish deviating priority risks in the next update of the policy statement.

Woolworth GmbH aims to commit all of its suppliers to comply with the Supplier Code of Conduct. We also demand transparency as well as the integration of environmental and human-rights issues into supplier assessment. Woolworth GmbH agrees on various monitoring mechanisms (e.g. information rights, audits, certifications) with its suppliers to ensure that the requirements are met.

3. Complaints mechanism

We have developed a complaints process to help us identify environmental or human-rights-related risks, and enable timely support and remedial action. The system can be used to safely and anonymously report risks and breaches of supply-chain-related duties. For more detailed information, visit: <https://woolworth.hinweisgeben.eu/>.

4. Dealing with risks and violations

If we find that our business activity contributes to human-rights violations, Woolworth GmbH will seek appropriate remedial action from the responsible parties. For this purpose, internal processes are continuously developed which establish how to proceed upon discovery of grievances and how to define appropriate remedial and compensatory measures in our own field of business and with direct and indirect suppliers.

Depending on the severity of the violation, Woolworth GmbH arranges appropriate responses ranging from calls for immediate remediation of the violation to legal action, or possibly even termination of the business relationship.

5. Ongoing development

Woolworth GmbH plans regular risk-based monitoring to ensure the compliance with and effectiveness of these measures. If necessary, the system is (continuously) adjusted so that it can always respond appropriately to any risks identified.

RESPONSIBILITIES

The Management Board of Woolworth GmbH is ultimately responsible for the implementation of and compliance with this policy statement. Regular and ad hoc internal reporting to the board regarding human-rights-related findings of the continuous risk analysis, indications from grievance mechanisms and information on the effectiveness of the remedial and preventive actions taken allow informed decisions to be made at all times.

The central Human Rights Officer is tasked with monitoring and operating the risk management system, along with other tasks. The Human Rights Officer is responsible for tasks such as ensuring that training and audits are prepared and conducted, that external reporting on human-rights-related due diligence is carried out and that the management of environmental and human-rights-related due diligence is continuously assessed and improved. The Human Rights Officer is assisted by the Legal Department here. The Human Rights Officer provides internal reports to the Management Board at least once a year and issues ad hoc reports on processes of particular relevance.

The relevant departments are tasked with the operative implementation of human-rights-related due-diligence processes. Here they receive assistance from other departments (e.g. compliance).

REPORTING

Fulfilment of due-diligence obligations is documented continually. Every year, a report is issued on the fulfilment of due diligence obligations in the previous fiscal year.