

**APPENDIX ONE: A COMPARISON OF COLES AND WOOLWORTHS SOURCING POLICIES TO CURRENT GLOBAL BEST PRACTICE SUPPLY CHAIN DUE DILIGENCE**



	WOOLWORTHS LTD.	COLES LTD.	SEASONAL WORKER PROGRAM	FAIR FARMS GROWCOM	BANGLADESH ACCORD (NOTE: the ACCORD only assesses safety issues.)	CURRENT BEST PRACTICE MODEL FAIR FOOD PROGRAM (FFP) and FAIR FOODS STANDARDS COUNCIL (FFSC)	CURRENT BEST PRACTICE MODEL CLEANING ACCOUNTABILITY FRAMEWORK (CAF)
Industry	Global Supply Chains	Global Supply Chains	Australia - Farms	Australia - Farms	Bangladesh - garment factories	US Farms	Australia - Cleaning Contracting
Agreement with buyer	N/A	N/A	NO. The SWP only regulates direct employers (so-called "approved employers").	NO. The scheme only accredits suppliers.	YES. Legally binding agreement between brands, suppliers, 8 local unions and 2 global union federations.	YES. Legally binding agreement between FFP and buyers, who commit to only using suppliers accredited by the Fair Food Program (FFP).	YES. Property owners apply to have their buildings certified. Their cleaning contract pricing is assessed for compliance with the CAF benchmarks - safe productivity levels (sqm per person per hour); contract provisions for the full cost of wages and entitlements; and overheads meet the CAF benchmarks to ensure enough is provisioned for equipment, training, supplies etc., so that cleaners' wages are not undercut. Parallel to the contract pricing, CAF conducts a desk-based audit of the Cleaning Contractor and the Owner/Manager to verify that cleaners at the building are receiving their minimum wages and entitlements, and to assess the Owner/Manager's oversight of the Cleaning Contractor's compliance.
Multi-stakeholder supplier certification and audits	NO. WOW accepts accreditation and ongoing certification by any one of three compliance initiatives for their fresh food suppliers (seven in total for their global supply chains): Sedex (SMETA), GRASP, Fair Farms (Growcom). Frequency and type of audits determined by risk matrix. All Tier 1 suppliers in Australian horticulture are given a specialised risk rating - which has the same approach as "priority suppliers" in their global supply chains. This includes unannounced audits - although Woolworths is yet to extend this program to all Tier 1 suppliers in horticulture.	NO. Coles uses Sedex as their platform to receive supplier questionnaires and audits. Tier 1 suppliers complete a self-assessment questionnaire which rates them as low, medium or high risk as their accreditation and audit company. Where companies are "high risk" audits occur every 12 months; where they are "medium risk" they occur every 24 months. Low-risk companies are certified without an audit. Coles states that 30 - 40% of companies are certified as low-risk based on their self-assessment questionnaire. Audits are booked by suppliers. Auditors must be certified to ISO9001.	NO. The scheme only accredits direct employers. This may be the supplier, but is more commonly a labour-hire provider. It does not conduct audits - it relies on Fair Work Ombudsman investigations and findings to assess ongoing compliance.	NO. Suppliers opt-in to certification scheme. Idea is that certification increases their desirability to buyers. Fair Farms operate their own certification and audit program. Similar to Sedex, suppliers conduct a self-assessment of risk. The audit regime depends on that self-assessment. They state that the audit process has been developed specifically for farms, in response to grower complaints that many global audit programs are not adapted for Australian farms.	YES. Individual factories undergo an inspection and remediation program initiated by Accord partners. Factories are assessed and compliance plans are developed. All signatory factories undergo independent, regular fire, electrical and structural safety inspections. The standards are set by the Accord. In addition, the worker safety committee (see above) is responsible for reporting issues when they arise.	YES. The FFSC conduct their own audits to certify farms. All management is interviewed, along with at least 50% of the workforce. FFSC gets access to payroll and timesheets. Worker interviews take place at workplaces, homes, on transport and from the field. FFSC conducts additional audits in response to worker grievances. Workers are trained to monitor and audit their own farms. Workers receive ongoing education about their rights and responsibilities so they can monitor their own farms. (See below under education.)	YES. Suppliers (cleaning contractors) are audited as part of CAF building certification (e.g. time and wages records audit for a sample of cleaners at the building, as well as a range of other areas relevant to cleaners' working conditions). CAF Certification involves a worker engagement component which seeks to ensure direct participation of the cleaners in the verification of compliance with labour standards. United Voice (the union), cleaners and independent CAF auditors are involved in initial and ongoing certification. Parallel to building certification, CAF pre-certifies Cleaning Contractors, undertaking an audit of the company's policies, procedures and systems related to the employment of cleaners (e.g. payroll, WHS, grievance procedures, responsible subcontracting, training, etc.). Contractor Pre-Certification is designed to facilitate building certification, providing assurance of the maturity of a company's systems and ensuring that measures are in place to provide cleaners with decent work at site level.
Certification of labour-hire providers and sub-contractors	INCONSISTENT. Suppliers can use labour-hire accredited through one of 3 systems: seasonal worker approved worker program, QLD or VIC labour-hire licensing, StaffSure. Inconsistencies between systems mean that suppliers who have lost accreditation through one scheme may maintain it in another.	INCONSISTENT. Suppliers can use labour-hire accredited through one of 3 systems: seasonal worker approved worker program, QLD or VIC labour-hire licensing, StaffSure. Inconsistencies between systems mean that suppliers who have lost accreditation through one scheme may maintain it in another.	YES. Labour-hire agencies must be "Approved Employers" under the relevant government scheme. Department does not audit - relies on findings by FWO.	ONLY IF THEY OPT-IN. Labour-hire providers opt in to the certification scheme. Idea is that certification increases their desirability to buyers. Fair Farms operate their own certification and audit program. Providers conduct a self-assessment of risk. Audit regime depends on that self-assessment. Risk assessment and audited criteria is not public.	LIMITED. The Accord applies to Tier 1 - Tier 3 suppliers. Suppliers are required to inform buyers when using sub-contractors, however, it does not directly apply to sub-contractors.	YES. The Fair Food Code of Conduct requires direct hire of all covered workers. Contractors and subcontractors can "supply" the labor, but once a worker sets foot on the farm, he or she becomes an employee of the supplier, not the contractor or the subcontractor. FFSC audits insure that any recruiting done by a contractor is pursuant to law.	YES. As part of Building Certification, Cleaning Contractors must demonstrate that if they conduct any subcontracting of core (non-specialist) cleaning services at the building, that this is done with the agreement of the Owner/Manager, and the Owner/Manager must demonstrate that they have oversight of any subcontracting occurring at their building (e.g. through reconciling employee listings with sign-in records). CAF audits the invoices provided by a subcontractor for a sample period. As part of Contractor Pre-certification, the Cleaning Contractor must demonstrate they have implemented adequate processes prior to subcontracting of non-specialist cleaning services (if they subcontract), including undertaking due diligence of suppliers, standardisation of service agreements, assessment of the adequacy of pricing to ensure the subcontractor is able to meet minimum legal commitments to its staff, obtaining of approvals/insurances prior to subcontracting, and monitoring and enforcing subcontractors' compliance.
Workers' representative organisation(s) involvement in education re workers rights	NO. Union involvement not mandated in worker education - with exception of Seasonal Worker Programme where it is government mandated. Suppliers are only required to give workers the Fair Work Information Statement and 'My employment checklist'.	NO. Involvement of workers' representatives not mandated in worker education - with exception of Seasonal Worker Programme where it is government mandated.	YES. Workers are given a pre-departure briefing prior to leaving for SWP. This addresses a range of issues, including labour rights. Briefing is organised by Ministry in participating country. Trade unions may be invited to briefing. Approved Employers must provide an on-arrival briefing in Australia, it covers a range of issues (including workers' rights) specified by the Australian government. The AE must invite the "relevant union", the FWO, and a representative from a banking institution.	NO. The scheme includes funding for worker education, but there is no requirement to include unions or other representative organisations in training.	YES. Buyers to require suppliers to provide "training teams" access to their factories. Teams include OHS experts & Accord-certified trade union trainers.	YES. To be accredited, all workers must be provided with an education session by the CIW Education Committee. Ongoing education uses a peer-to-peer education model, using resources prepared by CIW.	YES. Cleaners attend a minimum of two paid meetings per annum. All stakeholders (including direct employers) are present at the first meeting, where cleaners are educated about the CAF 3 Star Standard and given the opportunity to provide feedback via a survey on working conditions at the building. The follow-up meeting involves cleaners, CAF and United Voice, and provides an opportunity for cleaners to speak without employers present. Issues raised by cleaners are an integral component of the CAF audit model, and are investigated and remediated by relevant stakeholders in the supply chain at the building.
Mandated involvement of workers' representative organisation(s) in grievance procedures	NO. 3rd party whistleblower hotline, with complaints investigated by company	NO. 3rd party whistleblower hotline, with complaints investigated by company. Hotline is in English only. Workers' must email and await call-back if they want to make complaint/raise issues in language other than English.	NO. If workers have issues with their employer, they can call the Seasonal Worker Programme Information Line or the Fair Work Ombudsman Information Line.	NO.	YES. Joint worker-management safety committees provide training, walk throughs of factories to identify hazards, and are present at all worker meetings to inform workers of their rights under the Accord. Workers can raise issues with committee or through hotline.	YES. The FFP accreditation organisation, the Fair Food Standards Council, operates a 24-7 hotline. The FFSC are responsible for investigating the complaint, determining corrective action, and ultimately determining whether suppliers should retain accreditation. They have had 2500 over complaints raised and resolved since the program began in 2011.	YES. United Voice is involved in investigating and remediating compliance issues during the certification process, at annual health checks, and on an ad hoc basis throughout the three-year certification period. In addition, each CAF-certified building has one of more CAF Representative(s) (depending on the size of the workforce and whether there are day shifts and night shifts) who are responsible for overseeing the implementation of the CAF 3 Star Standard, participating in ongoing compliance, and assisting other cleaners to raise grievances as they arise. The CAF Representative receives support and training from United Voice to develop advocacy skills and education on labour standards compliance. The CAF Representative meets with the Cleaning Contractor and Owner/Manager quarterly regarding ongoing compliance, and participates in the annual health check, providing a report on implementation of the CAF 3 Star Standard at the building over the preceding twelve months, receiving assistance from United Voice to do so.
Benchmarked rates to ensure contract rates can meet legal wages and conditions	NO.	NO.	N/A. There is no agreement with buyers and no oversight of their contract arrangements.	NO.	NO.	YES. Buyers are required to pay a price premium to certified suppliers, which is passed on to workers, to augment the legal wage limits. The premium can't be used to meet the minimum wage, and the FFSC audits to ensure both that minimum wage is being paid and that workers receive the right amount of premium.	YES. CAF has determined benchmarks for productivity rates and on-costs to assess whether the contract is sufficient to enable cleaners (including employees of any subcontractors) to work within safe productivity levels, and ensure payment of at least minimum wages and entitlements. CAF has developed a 4/5 Star rating, which will include above-Award wages and better than minimum working conditions.
Formal involvement of workers' representative organisations	NO.	NO.	SOME. Relevant trade union invited to on arrival briefing, but have no input into certification of approved employers etc.	NO.	YES. Industrial (Global Union Federation) and local, Bangladeshi trade unions are official partners of the program.	YES. Coalition of Immokalee Workers' (CIW) grassroots worker organisation and Fair Food Standards Council (FFSC - monitoring organisation)	YES. United Voice (trade union).