



# Ethical Sourcing Policy



## 1. Purpose

Our Ethical Sourcing Policy (**Policy**), together with our Ethical Sourcing Supplier Requirements (**Requirements**), sets out our expectations of suppliers in regard to labour rights, human rights, environment, health and safety, and business integrity.

## 2. Our Policy

At Coles, we select suppliers of our goods and services carefully. We are committed to sourcing ethically and responsibly, and we expect suppliers to meet high standards for business integrity, labour and human rights, health and safety, and environment.

Our Policy and Requirements set out our expectations for suppliers in these areas. All our suppliers are expected to achieve and maintain the requirements set out in our Policy and Requirements.

The complex nature of our supply chain makes it impractical for us to monitor compliance for every supplier in our extended supply chain. However, as a company that cares deeply about the welfare of workers in all stages of our supply chain, we expect our direct suppliers to ensure our Policy and Requirements are cascaded to their own suppliers and monitor their performance.

We monitor the implementation of our Policy and Requirements through our Ethical Sourcing Program (**Program**). We will work collaboratively with our direct suppliers and the suppliers within our extended supply chain through the Program to continuously improve their performance against our Requirements, and address issues when they arise.

Where we are made aware of issues in our supply chain, we will endeavour in the first instance to work with our suppliers to ensure the issue is remedied, and will always treat suppliers fairly and with consideration of individual circumstances. However, we cannot and will not accept unaddressed human rights abuses in our supply chain.

If a supplier is unable to demonstrate compliance with the Policy and Requirements, or refuses to participate in the Program, Coles reserves the right to exercise any termination rights available and/or otherwise cease our engagement of that supplier.

Coles is a signatory to the UN Global Compact (**UNGC**) and works together with the UN Global Compact Network Australia. We are committed to the UNGC's ten principles on human rights, labour, environment and anti-corruption. We are also committed to the UN Women's Empowerment Principles. Our Policy is one way in which we seek to uphold these Principles.

This policy will be reviewed annually to ensure it meets best practice standards, aligns with changes in regulations and meets our approach to ethical sourcing.

Our Ethical Sourcing Policy and Supplier Requirements are based on internationally recognised codes of practice, including:

- Ethical Trade Initiative (**ETI**) Base Code
- International Labour Organisation (**ILO**) Declaration on Fundamental Principles and Rights at Work
- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN Global Compact's Ten Principles
- UN Human Right to Water and Sanitation
- OECD Guidelines for Multinational Enterprises
- Women's Empowerment Principles
- Children's Rights and Business Principles
- Convention on Migrant Workers
- Global LGBTI Standards for Business

### 3. Scope

All suppliers within our supply chain are expected to comply with the Policy and Requirements. We expect our direct suppliers to cascade these requirements to their own supply chain.

Reference to “workers” means any individual working for a supplier within Coles' supply chain through a contract of employment, or through a third-party labour hire service.

### 4. Policy Implementation

We monitor the implementation of our Policy and Requirements through our Program. As a condition of doing business with Coles, selected suppliers (including suppliers within our extended supply chain) will be required to undertake certain activities as part of the Program. These activities may include but are not limited to the following:

- provide to Coles on a regular basis information about their ethical sourcing performance, through an online supplier portal such as the Supplier Ethical Data Exchange (**SEDEX**), or manually;
- undertake a desktop or on-site audit, administered by Coles;
- undertake a desktop or on-site audit, administered by an independent third party, at the supplier's expense, to monitor compliance with our Policy and Requirements;
- participation in training and development programs.

## 5. Our Ethical Sourcing Principles

All suppliers must fully comply with all local laws and regulations regarding business ethics, labour, health, safety and the environment. Suppliers must also fully comply with the legal requirements of the countries in which they operate in addition to all elements of this Policy and our Requirements.

Where there is inconsistency between the Policy or Requirements and applicable local laws and regulations, (to the extent that there is an inconsistency) suppliers are expected to comply with the instrument that imposes the higher standard.

Our Requirements include standards and provisions covering:

1	Forced/Bonded Labour	9	Discrimination
2	Child Labour	10	Regular Employment
3	Harsh or Inhumane Treatment	11	Illegal Labour
4	Wages and Benefits	12	Environment
5	Working Hours	13	Business Integrity
6	Freedom of Association and Collective Bargaining	14	Reporting and Documentation
7	Sub-Contracting and Indirect Suppliers	15	Grievance Mechanisms and Remediation
8	Safe Working Conditions		

## 6. Governance

Ethical Sourcing is identified as one of our Coles' material risks, and the Program has oversight from our Board and Executive Leadership Team.

The responsibilities and accountabilities for Ethical Sourcing at Coles are outlined below:

<b>Board</b>	<p>The Coles Board regularly receives and reviews Ethical Sourcing reports. They are responsible for the approval of our Ethical Sourcing Policy.</p> <p><b>Audit and Risk Committee</b>  Coles' Audit and Risk Committee is a Board committee. As Ethical Sourcing had been identified as a material risk to Coles, the Audit and Risk Committee is responsible for evaluating the effectiveness of our Ethical Sourcing risk management systems and processes.</p>
<b>Executive Management</b>	<p><b>Human Rights Steering Committee</b>  Our Human Rights Steering Committee is a cross-functional committee chaired by the Chief Legal Officer to support the management of human rights issues. The Committee meets at least 6 times per year.</p> <p><b>Chief Legal Officer</b>  Has oversight of the General Manager, Risk and Compliance, the Head of Compliance, and the Ethical Sourcing Team who are responsible for overall administration of the Ethical Sourcing Program.</p>
<b>Senior Management</b>	<p><b>General Manager, Risk and Compliance</b>  Has oversight of the Head of Compliance and the Ethical Sourcing Team. Reports to the Chief Legal Officer.</p>

	<p><b>Head of Compliance</b> Has oversight of the Ethical Sourcing team. Reports to the General Manager, Risk and Compliance.</p>
<b>Operational Teams</b>	<p><b>Ethical Sourcing Team</b> The Ethical Sourcing Team is responsible for administration of the Program and works in partnership with functional business units to ensure execution of actions.</p> <p><b>Functional Teams</b> While everyone at Coles shares the responsibility of ensuring that our goods and services are procured ethically and responsibly, our <i>category teams, procurement teams</i> and <i>product technologists</i>, all of whom have a direct relationship with our suppliers, are responsible for the day-to-day execution of the program.</p>

## 7. Grievance mechanism

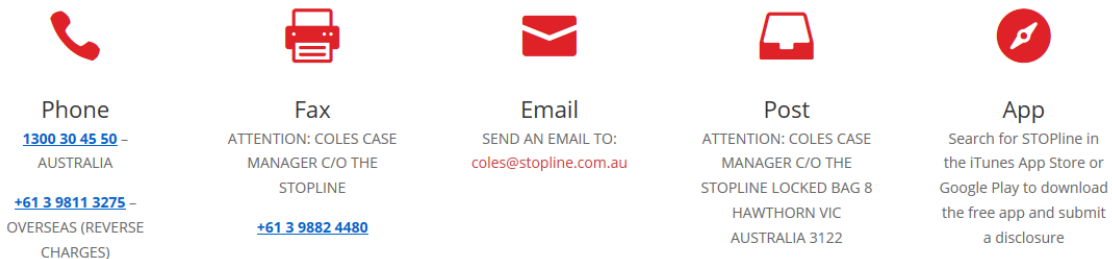
Coles supports open and transparent working relationships, where concerns can be safely voiced. We encourage all our stakeholders to raise concerns where they observe or suspect adverse impacts on people, communities or environment within Coles' supply chain. All concerns raised are assessed to determine how they should be investigated. Where remedy is necessary, this may be provided by Coles directly, or in collaboration with third parties.

We provide several mechanisms for concerns and complaint to be raised confidentially and/or anonymously. More information can be found in our Whistleblower Policy.

### (a) STOPline

STOPline is a confidential hot-line service run by an independent third party that all stakeholders can use to anonymously raise concerns or complaints. STOPline will refer matters to Coles for investigation, but if anonymity has been requested, will not share personal details with Coles.

STOPline can be accessed in a number of ways, as per the diagram below:



## (b) Coles Wages and Conditions Hotline

Workers within Coles' supply chain can also access the Coles Wages and Conditions Hotline via phone or email to report unfair labour practices or safety breaches. This service can be accessed by workers in our international supply chain, or locally where English is not a first language.

The Coles Wages and Conditions Hotline can be accessed through the numbers and addresses listed in the diagram below:

## coles Wages & Conditions Hotline: 1300 532 515



**Call 8am-8pm, 7 days a week**  
(You can leave a message outside 8am-8pm and we will contact you)

If you do not speak English send an email to:  
**wageline@coles.com.au**

Include your telephone number, preferred language and  
brief description of your concerns. We will contact you.



拨打1300 532 515。如果你认为你已经少缴或没有得到满足就业条件。

(你可以留言之外早上8点 - 晚上8点, 我们将与您联系)

如果你不会说英语发邮件到wageline@coles.com.au~~~包含您的联系电话号码, 首选语言, 你的问题的简要说明, 我们将与您联系。

여러분에게 임금이 덜 지불되었거나 고용 조건이 미달이라고 생각된다면,  
1300 532 515로 신고해 주십시오.

오전 8시 이전이나 오후 8시 이후에 전화하실 경우 메시지를 남겨 주시면 저희가 연락을 드리겠습니다.

영어로 전화하기가 어려우시면, 여러분의 연락 전화번호, 선호하는 언어 및 문제가 무엇인지 간단히 적어서 wageline@coles.com.au로 이메일을 보내주시면 저희가 연락드리겠습니다.

## 8. Related Coles Standards/Documents

More detailed information about our requirements and additional guidance can be found in the following documents:

- Ethical Sourcing Supplier Requirements
- Ethical Sourcing Program Supplier Guidance
- Whistleblower Policy

<b>Endorsed by:</b>	 Steven Cain Managing Director and CEO, Coles Group Limited
<b>Date:</b>	24 March 2020

Adopted by the Board 24 March 2020.