



colesgroup

Human Rights Strategy

2024 – 2027

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Acknowledgement of Country

Coles Group acknowledges the Traditional Owners and Custodians of the lands on which we live and operate. We pay our respects to Elders past and present and acknowledge their continuing connection to waters, skies, seas and country.

Coles Group will continue to provide platforms to elevate the voices of Aboriginal and Torres Strait Islander people on issues that disproportionately

impact them and we will align our reconciliation efforts to closing the gap. Understanding our role in promoting historical acceptance and ensuring our business undertakes ethical agreement making with Aboriginal and Torres Strait Islander peoples reflects our commitment to our Aboriginal and Torres Strait Islander communities, our Stretch RAP and alignment with our Coles Group strategy.



Feedback

We welcome feedback on this document. For more information or to provide comments, please contact us at: ethicalsourcing@coles.com.au.

Forward-looking statements

This report contains forward-looking statements in relation to Coles Group Limited ('the Company') and its controlled entities (together 'Coles', 'Coles Group', or 'the Group'). This includes statements regarding the Group's intent, belief, goals, objectives, opinions, initiatives, commitments or current expectations with respect to the Group's business and operations, market conditions, results of operations and financial conditions, and risk management practices. Forward-looking statements can generally be identified by the use of words such as forecast, estimate, plan, will, anticipate, may, believe, should, expect, intend, outlook, guidance and other similar expressions. Any forward-looking statements are based on the Group's current knowledge and assumptions, including financial, market, risk, regulatory and other relevant environments that will exist and affect the Group's business and operations in the future. The Group does not give any assurance that the assumptions will prove to be correct. The forward-looking statements involve known and unknown risks, uncertainties and assumptions that could cause the actual results, performances or achievements of the Group to be materially different from the relevant statements. Readers are cautioned not to place undue reliance on forward looking statements. Except as required by applicable laws or regulations, the Group does not undertake to publicly update, review or revise any of the forward-looking statements or to advise of any change in assumptions on which any such statement is based. Past performance cannot be relied on as a guide to future performance.

Foreword

Our aim is to have a positive impact on our team members, customers, the communities we serve, and workers throughout our supply chain.

Respecting others is at the heart of our core values. Our values guide our actions and decisions and provide a foundation for respecting human rights:

- **Care** for each other: We believe in fostering a safe, diverse, inclusive and equitable workplace where every individual is treated with respect and dignity.
- **Courage** to make the right choices: We embrace the challenges of operating in many diverse supply chains, finding opportunities and strategies to make human rights centred decisions, speaking up and challenging issues that matter, and finding ways to improve.
- Delivering for our **Customers**: We aim to offer safe, responsible products and services for our customers which have been procured in an ethical and responsible manner.

- **Create** for the Future: As we navigate a rapidly evolving local and global landscape, we embrace innovation and are adjusting our approach to address emerging human rights issues and support sustainable practices.

We are committed to the United Nations Guiding Principles on Business and Human Rights (UNGPs) which guide us to continually strengthen our work to prevent harm by identifying, mitigating and remediating human rights risks throughout our value chain.

Our refreshed human rights strategy provides a framework for preventing harm to people in or affected by our operations and value chain, especially the most vulnerable. It is central to our purpose of **helping Australians eat and live better every day** and a core part of meeting our goal to be a sustainable supermarket.



James Graham
Chairman



Leah Weckert
Managing Director and
Chief Executive Officer,
Coles Group Limited



People are at the heart of our business

As a large Australian retailer, we touch the lives of many people – including our team members, customers, suppliers, workers in our supply chains and the communities where we operate.

Coles has an extensive national supermarket and liquor store footprint and a range of digital platforms allowing us to deliver a full service experience for our customers. We average 17 million transactions every week across our in-store and online platforms.

We employ more than 115,000 team members across over 1,800 retail stores and supporting operations.

We source a diverse range of goods and services from over 8,000 suppliers annually. We source over 90% of our fresh produce from Australian farmers. Through our Ethical Sourcing Program, we manage over 2,000 suppliers located across 47 countries.

We operate on lands where First Nations people have an ongoing connection and we are one of Australia's largest employers of First Nations people.

Our human rights program provides opportunity to carefully consider the people we – directly and indirectly – may affect in the course of doing business.

Fundamental human rights are the essential freedoms set out in the Universal Declaration of Human Rights. This includes the right to life, freedom, dignity and health, as well as freedom from discrimination, violence and slavery.

For business, the responsibility to respect human rights is set out in the United Nations Guiding Principles on Business and Human Rights (UNGPs) to which we seek to adhere. This global standard asks business to consider human rights risks they might cause, contribute to, or be linked to through their activities and relationships. It calls for focus on issues that are most 'salient' – with the most severe potential negative impact on people's rights.

This gives a framework for business to focus on the most vulnerable people and most severe issues – such as forced labour and severe discrimination. It also sets out an ongoing process to identify, prevent and mitigate or remediate these risks to people across the value chain.

Our refreshed strategy guides our ethical sourcing program and helps us to protect human rights in our operations.

Coles has a long standing commitment to human rights and launched its first dedicated human rights strategy in 2019.

We have made significant progress since then, particularly in the development and ongoing refinement of our ethical sourcing program and our efforts on **Modern Slavery** and farm worker engagement. Following the delivery of our **Better Together** strategy we are advancing five key focus areas to advance diversity, equity and inclusion. We continue to help Australian food producers with drought and disaster relief, and partner to reduce food waste and donate meals. In 2023 we refreshed our Aboriginal and Torres Strait Islander Plan and in 2024, we launched our Stretch level **Reconciliation Action Plan**.

Refreshing our human rights approach has given us the opportunity to reassess key risks, consider our evolving context and engage and listen to our stakeholders.

Our human rights approach

The core elements of our strategy are:

- **Our commitment to human rights** – the principles and frameworks that guide our approach
- **Our enablers** – the core internal practices that drive continuous improvement
- **Our strategic ambitions** – the human rights priorities and aspirations designed for our business, our team members, our suppliers and supply chain and our customers and communities
- **Our key focus areas** – the human rights issues and risks where we focus our efforts on creating change

This strategy will guide Coles’ activity until 2027 and will be monitored regularly and reviewed as required. It aligns with and enhances our approach in related areas, notably sustainability, diversity and inclusion, and First Nations engagement.

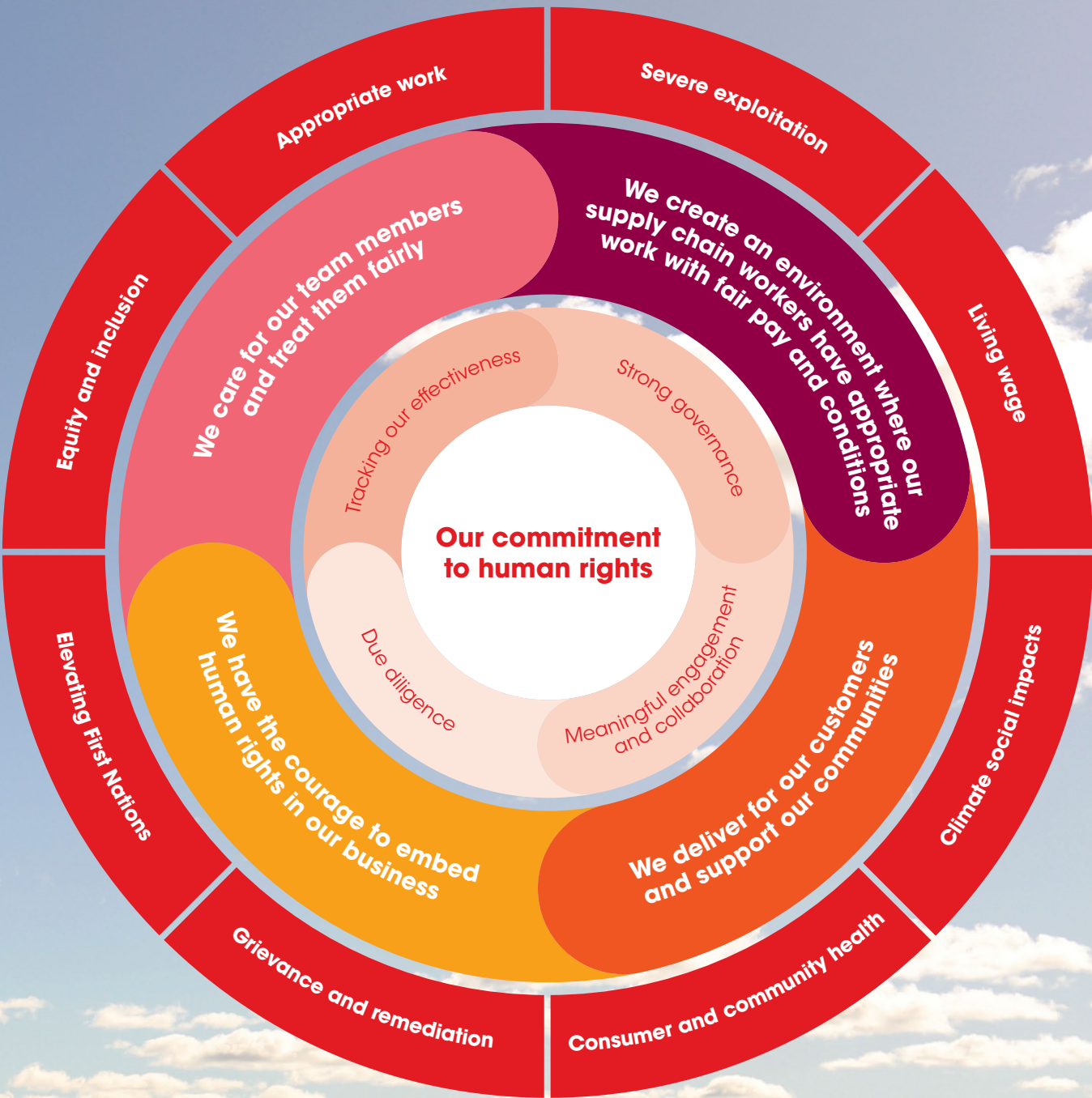
Our strategy development process

A detailed review and prioritisation process helped determine key priorities and our key issues. Key considerations included: people and human rights issues in our value chain; risks with the most severe potential negative impacts on people’s rights; our greatest opportunities to make or influence positive change; and the ways we can improve our current approach.

Responding to a changing landscape

We recognise that human rights challenges change over time and we know that climate change may act as an amplifier in many areas. We understand the interconnectedness of social, climate and environmental issues and the need for a transition that respects human rights and dignity.

Coles supports the goals of the [Paris Agreement](#) and the need to work with our suppliers and partners to accelerate decarbonisation.



Our principles

These five principles underpin our strategy and will guide our human rights commitments and actions, in line with our corporate values.



Awareness

We recognise that everyone has human rights and deserves to live with dignity. We embrace our responsibility to respect rights as a business. We strive to understand, identify and remedy risks to our people, and those affected by our business.



Respect

We respect human rights in the way we do business. We focus on team members, as well as customers, contractors, suppliers and their workers, and the wider community. We embed respect for human rights in our thinking and decision-making processes.



Fairness

We treat everyone fairly and embrace diversity. We foster inclusion and care for people involved in our business. We understand that vulnerabilities can affect people's ability to enjoy their rights and freedoms.



Action

We respond to risks and remediate harm to people. We actively work to assess and prioritise risks and mitigate or remediate negative impacts. We focus on preventing harm and we are committed to listening and learning.



Collaboration

We partner to solve problems and improve practice. We know that we can't address complex human rights issues on our own. We collaborate to solve systemic issues and adapt to a rapidly changing context.

Our principles are a reflection of:

Our purpose, to help Australians eat and live better every day.

Our core business values, as set out in our **Corporate Strategy**.

Our commitment to the [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#).

Our commitment to the [International Labour Organisation's Declaration on Fundamental Rights and Principles at Work](#), and the [Ethical Trading Initiative Base Code](#) – which form the backbone to our extensive ethical sourcing program and strategic focus on **forced labour and modern slavery**.

Our aspiration to the [UN Declaration on the Rights of Indigenous Peoples \(UNDRIP\)](#) continued efforts to advance **First Nations** opportunities through our **Reconciliation Action Plan (RAP)** and this strategy.

Our commitment to ongoing engagement with a diverse group of **stakeholders**, to learn from their perspectives and integrate their feedback into our operations.

Our strategic focus

Our ambitions

Our strategy sets out four key strategic ambitions for the future. These capture our intent for our people, our supply chain, our customers and the communities in which we operate.

Our priorities

Supporting each ambition are the key priorities needed to reach our objectives. Each priority has a dedicated program of work, with internal planning and monitoring.

To embed our strategy, we have set out dedicated focus issues (with associated action plans) and organisational enablers.





Our strategic ambition for our **team members**

We care for our team members and treat them fairly

Our workplaces are diverse, inclusive, respectful and fair.

We seek to safeguard team member mental and physical wellbeing.

We provide a workplace where our team members feel safe to come to work and be themselves.

Our journey so far

Embracing our differences and uniqueness strengthens Coles – creating a team that is better together.

We have long been committed to fostering diversity and inclusion and supporting our team members.

Our Better Together Strategy has driven our efforts, including the following key areas of focus:

- Cultural diversity: Fostering an open and welcoming culture where everyone feels valued.
- Gender equity: Achieving a gender balanced workforce to benefit us all.
- Indigenous engagement: Providing more opportunities for Aboriginal and Torres Strait Islander peoples.
- Accessibility: Recognising and enabling people with all kinds of abilities.
- Pride: Championing LGBTQI+ inclusion in the workplace and beyond.

We also provide confidential channels for team members to raise concerns around suspected or actual misconduct for review to support providing a place of work that remains safe and respectful.

Our priorities

Support

Provide team members with fair pay and conditions, in line with legal requirements.

Respect

Provide a safe and respectful environment, free from discrimination, bullying, and all forms of harassment and victimisation.

Diversify

Increase opportunities for diversity, equity and inclusivity in the workplace.

Our key targets

- Maintain pay parity and reduce the gender pay gap.
- Achieve Platinum status in the Australian Workplace Equity Index.



Our strategic ambition for our **supply chain**

We create an environment where our supply chain workers have appropriate work with fair pay and conditions

Workers in our extended supply chain have their rights at work respected, and their voices are heard.

Our journey so far

Coles has been working to address severe exploitation in our supply chain through our extensive ethical sourcing program and our significant body of work related to modern slavery. Our ongoing activity to address severe exploitation and living wage concerns includes:

- Initiatives to gain transparency of wages across tier one and two suppliers, including comparisons of wages paid to legal minimums, and where available living wage.
- Increasing transparency through audits and remediation of findings for tier one and two sites.
- Rainforest Alliance and Fairtrade certification for Own Brand coffee, solid block chocolate, Easter eggs and cocoa powder.
- Continued engagement with workers through the Ethical Retail Supply Chain Accord and direct worker voice initiatives.
- Specific initiatives to address accommodation standards (in Australia) and excessive working hours.
- Mapping of tier one/two supply locations through our ethical sourcing process.

Our priorities




Continue

Continue our supplier social auditing and remediation process, which gleans detailed information for tier one and two worker wages at some sites.



Understand

Take action to understand the living wages in our operating and supply chain contexts and bridge wage gaps.



Collaborate

Work with suppliers and producers collaboratively to support and incentivise good practice.

Our key targets

- Develop a living wage framework including an income adequacy assessment for high-risk countries.
- Validate program effectiveness by achieving 10% of audits in high-risk countries scheduled on an unannounced basis.



Our strategic ambition for our customers and communities

We deliver for our customers and support our communities

We manage our impact on systems and society, consider our role in nutrition and food security, and support communities both every day and during times of need.

Our journey so far

- We understand our responsibility to serve a large proportion of Australians and in doing so to also minimise our environmental footprint. We believe we must show leadership in protecting the health of our customers, communities and the environment.
- To further safeguard customer privacy, we have introduced a Governance Council to support a consistent groupwide approach to data governance and controls.
- Coles is committed to addressing the impacts and risks climate change presents to the community and to promoting healthy living for our customers, this includes:
- Diverting 85% of the Group’s solid waste from landfill by end FY25.
 - Introducing carbon neutral beef and pork products for consumers to purchase, providing choices that reduce the emissions impact on the environment.
 - Partnering with SecondBite and FoodBank to reduce food waste and donate meals to vulnerable community members around Australia.

Our priorities



Optimise

Optimise our impacts on community and food systems.



Protect

Protect our customers’ safety, privacy and data.



Enable

Support our customers and communities to live healthy lives.

Our key targets

- Reduce combined Scope 1 and 2 greenhouse gas emissions by more than 75% by the end of FY30 (from a FY20 baseline).
- Have 95% of role relevant team members and leadership complete privacy awareness training.



Our strategic ambition for our **business**

We have the courage to embed human rights in our business

We integrate human rights considerations into how we do business. We learn purposefully, engage meaningfully and act on impacts transparently.

Our journey so far

Coles recognises that embedding respect for human rights requires strong governance and dedicated processes that help us identify and respond to human rights risks across our business. This strategic ambition also includes a dedicated focus on First Nations people and grievance mechanisms. Our achievements so far include:

- Our first human rights strategy launched in 2019.
- Dedicated governance mechanisms including the Human Rights Steering Committee and Better Together/Diversity & Inclusion Council, each with executive sponsorship and Board oversight.
- Monitoring worker and community access to grievance mechanisms in our supply chain and establishing remediation requirements for issues such as child labour and recruitment fees.
- Direct initiatives to provide farm-worker education, enable worker voice and understand issues and stakeholder views.
- Refreshed our Aboriginal and Torres Strait Islander Plan in 2023 with a focus on relationships, respect and opportunities.
- Launched our Stretch level Reconciliation Action Plan.

Our priorities



Integrate

Demonstrate strong governance through integrated due diligence, worker voice and continuous improvement.



Strengthen

Enhance grievance and remediation procedures.



Elevate

First Nations people and their opportunities across the business.

Our key targets

- Have 95% of role relevant team members and leadership (including Coles Board) complete human rights training.
- Increase the number of First Nations team members in management and leadership roles to 3%.



**Where we refer to 'appropriate work', the ILO refer to it as 'decent work'. Decent work' is defined by the International Labour Organization as work that is productive, safe, dignified and where worker's rights are protected.
^An adequate 'Living wage' is defined per the [The Anker Living Wage methodology](#) as one that allows workers to cover basic needs such as food and school for children. In many countries, the legal minimum wage does not afford a living wage.



Our enablers

We have set out four key enablers that are essential to achieving our goals. These aim to strengthen our systems and processes and embed human rights considerations and risk management across the way we operate.

Our key ambition 'embedding human rights in our business' sets concrete actions to advance these enablers.

Tracking our effectiveness

Strong governance

Meaningful engagement and collaboration

Due diligence

- Evaluate based on metrics for progress, effectiveness and impact.
- Improve based on monitoring, reflection and learning.
- Communicate and disclose transparently.

- Align accountabilities and responsibilities for human rights.
- Effective policies and plans to address human rights.
- Integrate human rights within and across business strategies.

- Consider human rights risk in operational decision making.
- Identify, prioritise and control risks across our value chain.
- Prevent and mitigate key risks and enable reporting and remediation.

- Partner to address difficult issues and progress change.
- Seek and listen to affected people's views systematically to inform our actions.
- Empower our team members and suppliers to drive change.

Our plan

Our strategy has been endorsed by our Board and leadership team. It aims to set an overarching ambition with clear underlying principles, while also establishing clear and measurable actions in a detailed and multi-year program of work. This Detailed Plan includes key outcomes and measurable targets under each priority. For each outcome area, specific actions are assigned that include

timing, the responsible team or individual, and key monitoring or data gathering considerations. Action to support our enablers is integrated to the plan. We will report regularly to the Human Rights SteerCo, other relevant governance mechanisms and the Board, and will also use data to reflect on progress and make adjustments to our approach. Here we set out our strategy implementation process.



Socialise and communicate

Communicate our ambitions and targets with our teams and provide education and training on our objectives and guiding principles.



Engage leaders

Engage our leaders and maintain governance mechanisms, clarifying roles and responsibilities for each priority, as well as relevant measures.



Integrate and implement

Integrate our strategy into existing strategies, aligning key work plans as well as adjusting key policies and procedures.



Monitor and learn

Monitor our strategy implementation through data gathering, reflection, and periodic review – using learnings to adjust and improve.



Report and disclose

Report regularly via internal progress reports on targets, reporting against established internal frameworks and external reporting aligned to key frameworks.



Glossary

Some terms used in reference to Human Rights can be academic in nature, and their meaning can be unclear to stakeholders from other sectors. We have chosen to use language in this document that can be easily understood by a broad range of stakeholders.

This glossary connects the terms we have used, with the comparable references **which are formal accepted terms in international human rights frameworks related to business and human rights.**

Reference	Definition
UNGPs or UN Guiding Principles	The United Nations Guiding Principles on Business and Human Rights (UNGPs) are the authoritative global standard for addressing human rights and other harms associated with business activities. Coles is committed to the UNGPs.
Salience or 'salient issues'	Salient human rights is defined in UNGPs as those human rights that are at risk of the most negative impact through an organisation's activities or business relationships. In human rights, as in addressing modern slavery, business is asked to focus on 'risk to people'. 'Salience' requires a focus on harm, and asks companies to identify their most 'salient' (or potentially severe) human rights issues. This 'salience assessment' means systematically considering the potential impacts that are the most likely, as well as those that are the most severe (based on agreed concepts of scale, scope and irremediability of the impact).
Our key issues	Our key (or salient) issues reflect the areas where we want to focus our efforts. They were developed based on detailed assessment and prioritisation of the human rights issues that are the most closely connected to our business, and where we have the most need and responsibility to take action. This included a detailed salience assessment (see above) to focus on the most severe human rights impacts and key prioritisation process. The prioritisation process considered Coles's potential level of involvement, referred to in the UNGPs as whether a company might cause, contribute to, or be linked to a human rights risk or impact. It also considered existing business practices and controls for managing these risks to identify gaps and discern need for further action, it considered the degree to which Coles has influence or leverage to address the issues effectively and lastly it considered where Coles has the most significant opportunity to create positive impact and change. This process included extensive stakeholder engagement and led to the determination of our 8 key issues.
Appropriate work	Aligned to the ILO defined term of 'decent work', decent work is defined by the International Labour Organization. Decent work is work that is productive, safe, dignified and where worker's rights are protected. Work is considered decent when certain conditions are met. This includes that the work pays a fair income, guarantees a secure form of employment and safe working conditions and where workers are able express their perspectives and organise without retribution. For our Team Members, we aim to support decent work in line with legal requirements. We recognise that in our supply chain, it may be necessary to go beyond local legal standards to ensure decent work, as reflected in our Ethical Sourcing Policy.
Living wage	The term 'living wage' refers to the socially acceptable income level that allows individuals workers or families to afford the basic necessities for life, such as adequate shelter, food, healthcare, and schooling for children, without falling below the poverty line. It gives workers and their families the means to maintain a decent standard of living. 'The Anker Living Wage methodology' is one of the standardised approaches to defining and measuring what amounts to a living wage in different regions. In many countries, the legal minimum wage does not afford a living wage.
Affected persons	An 'affected person' refers to a person whose human rights have been affected (reduced, removed, or otherwise impacted) directly or indirectly by a company's operations, products, services or business activities. Engagement with affected persons, as well as people or organisations who appropriately represent vulnerable groups of people, is considered critical in developing a human rights approach.
Negative human rights impact	A 'negative human rights impact' is used to describe where the action of one player (such as an organisation, government or other entity) removes or reduces the ability of an individual to enjoy his or her human rights. A potential human rights impact is where this removal or reduction in the ability of a person to exercise their human right has yet to occur.



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