

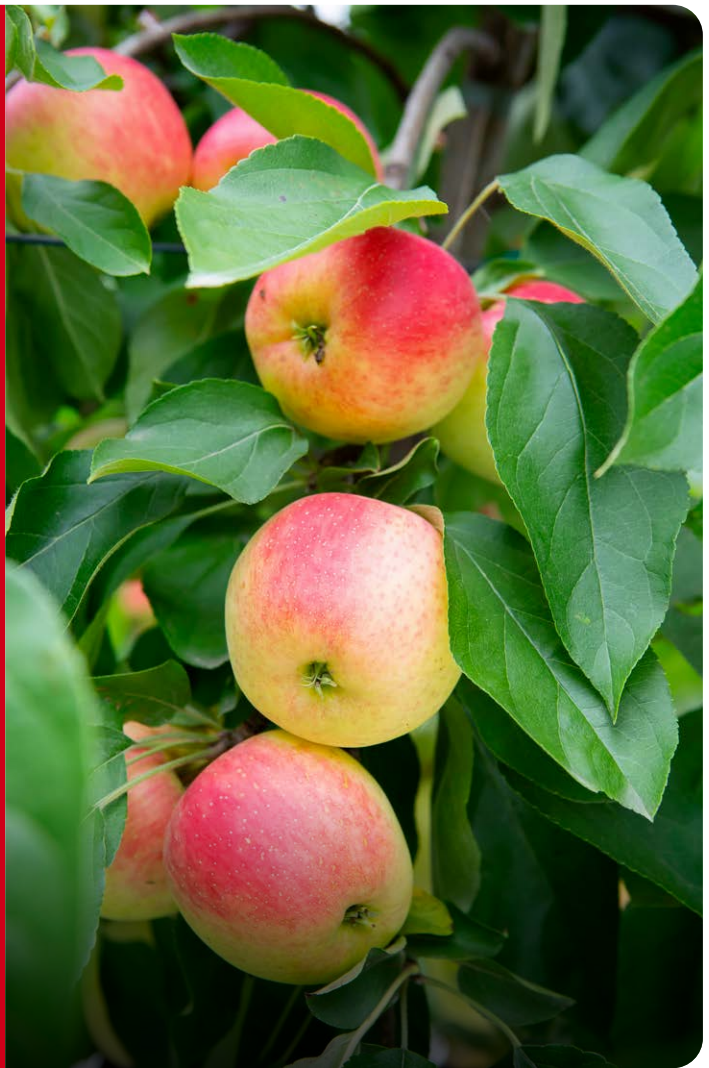




Coles has a long-standing commitment to respecting human rights.

Our aim is to have a positive impact on our team members, customers, the communities we serve, and workers in 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. By continuously looking to improve our own practices and sharing our learnings, we hope to build momentum for positive change.

Pictured: cover – Coles team member Hai Xia with Nicola, Jason, and Tayla at Mackays Bananas in Queensland.



Acknowledgement of Country

Coles Group acknowledges the Traditional Owners of Country throughout Australia.

We recognise their strength and resilience and pay our respects to Elders past and present.

We recognise their ongoing connection to the lands, waters and skies.



Reporting concerns

If you have concerns about modern slavery or broader human rights issues relating to our operations or supply chain, we have processes in place to allow you to safely voice your concerns. You can remain anonymous.

Visit our website to learn more:

colesgroup.com.au

Contact STOPline on 1300 30 45 50 or send an email to **coles@stopline.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'), including statements regarding the Group's intent, belief, goals, objectives, opinions, initiatives, commitments or current expectations with respect to the Group's business, market and financial conditions, results of operations 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', 'likely', 'aim', 'aspire' and other similar expressions. Similarly, statements that describe the Group's objectives, plans, goals, or expectations are forward-looking statements.

Any forward-looking statements are based on the Group's current knowledge and assumptions as at the date of this report. They are not guarantees or predictions of future performance or outcomes and the Group does not give any assurance that the assumptions will be correct. The forward-looking statements involve known and unknown risks, uncertainties and assumptions, many of which are beyond the control of the Group, that could cause the actual outcomes to be materially different from the relevant statements.

Contents

4	Message from our Chairman and CEO	22	Our modern slavery response
5	Helping Australians eat and live better every day	24	Due diligence to manage modern slavery risks
5	Our structure	24	Managing risks in our operations
6	Our pathway to continuous improvement	25	Managing risks in our supply chain
8	Our operations and our team	30	Grievance management and remediation
9	Our governance	30	Managing grievances
11	What we source	31	Our approach to grievance management
14	Modern slavery risks	34	Our approach to remediation
15	How we understand and assess our modern slavery risk profile	35	Preventing modern slavery from occurring
17	Our modern slavery risk profile – operations	35	Policies and procedures
18	Our modern slavery risk profile – supply chain	37	Training and supplier capacity building
20	Our exposure to geographic risks	39	Collaboration and stakeholder engagement
		42	Assessing effectiveness
		47	How we have consulted within our business
		48	Appendices



Our 2025 reporting suite

Our corporate reporting suite contains detailed information on Coles' strategy, financial and non-financial performance, risk management and governance frameworks.

The suite also includes our progress against our sustainability and human rights commitments. We continually evolve our reporting suite in response to shareholder and stakeholder feedback, and to align with legislation, disclosure frameworks and leading practices.



To view these reports visit **colesgroup.com.au**

2025 Annual Report

2025 Corporate Governance Statement

2025 Sustainability Report

2025 Modern Slavery Statement

2025 Economic Contribution Report

Factors that may affect forward-looking statements include legal and regulatory change, industry competition, changes to consumer behaviour, technological changes and economic and geopolitical factors, including global market conditions.

Readers should not place undue reliance on forward-looking statements and such statements should be considered together with the risks, uncertainties and assumptions associated with the relevant statements particularly given the inherent unpredictability of future policy, market, and technological developments. 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 in this report or to advise of any change in assumptions on which any such statement is based. Past performance cannot be relied on as a guide for future performance.

This document may contain statements that have been prepared by Coles on the basis of information from publicly available sources, and other third-party sources, and this information has not been verified by the Group.

The Group does not make any representation or warranty as to the currency, accuracy, reliability or completeness of such information in this report.

Approach to reporting

This statement is provided by Coles Group Limited (ACN 004 089 936) under the Australian *Modern Slavery Act 2018* (Cth) (Modern Slavery Act) for the period 1 July 2024 to 29 June 2025 (referred to as the reporting period, this year or FY25).

It is a joint statement that covers Coles Group Limited and the following three reporting entities:

1. Coles Supermarkets Australia Pty Ltd (ACN 004 189 708)
2. Liquorland (Australia) Pty Ltd (ACN 007 512 414)
3. Coles Supply Services Pty Ltd (ACN 664 431 510)

Coles' entities take a consolidated, whole-of-group approach to ethical sourcing. As such, this statement addresses the actions taken by all reporting entities within Coles Group.

Unless otherwise indicated in this statement, the terms 'Coles', 'Coles Group', 'our business', 'we', 'us' and 'our' refer to Coles Group Limited and its controlled entities collectively (including all reporting entities). A list of Coles' subsidiaries is published in our 2025 Annual Report. This statement has been approved by the Board of Coles Group Limited (the Board or Coles Board) and the Boards of each other reporting entity. The statement has been signed by the Chairman and CEO of Coles Group Limited, and has also been signed by the CEO in her capacity as a director of each of the reporting entities. Further detail regarding how this statement complies with the Modern Slavery Act is included in Appendix 1.

Feedback

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

Message from our Chairman and CEO



At Coles, we are committed to upholding human rights and promoting transparency and accountability across our operations and supply chains. Addressing the risks of modern slavery is a critical part of this responsibility.

We welcome the appointment of the Federal Anti-Slavery Commissioner and look forward to engaging on the proposed enhancements to the Modern Slavery Act. These developments represent a significant step forward in strengthening Australia's response to modern slavery and will support greater transparency and accountability across the business community.

In FY25, we achieved several strategic milestones in our human rights journey, including:

- launching an Accommodation Standard that provides clear guidelines for worker housing in Australian horticulture and meat supply chains
- commencing the development of a living wage framework for high-risk countries in our international supply chain

- enhancing our grievance mechanisms to improve accessibility, responsiveness, and trust
- developing human rights training to build awareness across our teams, which was completed by our Executive Leadership Team and the Board.

This year, we placed a strong emphasis on assessing how the effectiveness of our actions could be further enhanced. Through internal reviews and stakeholder engagement, we evaluated the impact of our initiatives and identified opportunities for continuous improvement. These insights are informing our future direction and reinforcing our commitment to meaningful, long-term change.

Looking ahead, we will continue to:

- strengthen our due diligence and risk management processes
- deepen engagement with suppliers and partners
- expand targeted training and awareness initiatives, including broader rollout of human rights training internally
- advance our efforts to address modern slavery risks, informed by regulatory changes and international best practices.

We recognise that fostering a culture of integrity, respect and accountability is essential to an effective modern slavery response. We will continue to take proactive steps to prevent and address modern slavery risks, and to operate a business that upholds the rights and dignity of all people.

Peter Allen
Chairman, Coles Group Limited

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

Helping Australians eat and live better every day

Our structure

Coles is a national retailer providing everyday products such as fresh food, groceries, general merchandise and liquor, as well as financial and retail media services.

We provide an omnichannel offering through in-store and online services to customers, households and businesses through our supermarkets and liquor stores. We also operate a range of digital platforms, including websites across areas such as general merchandise, meal solutions, pet supplies, gift cards and our retail offering.

Our brands are outlined on the left and are supported by our central support operations, including functions such as buying, warehousing, delivery, meat and milk processing, manufacturing, and marketing. We are a public company listed on the Australian Securities Exchange (ASX: COL) and are headquartered in Melbourne, Victoria.

Our brands¹

coles

**coles
local**

LIQUORLAND

First Choice
LIQUOR MARKET

VINTAGE CELLARS
AUSTRALIA'S FINE WINE SPECIALIST

**LIQUORLAND
WAREHOUSE**

**LIQUORLAND
CELLARS**

coles Credit Cards

coles
Car Insurance

coles
BestBuys

colesmobile

coles collect

swaggle

QuiteLike

coles 360

COLES GROUP LIMITED

ACN 004 089 936

The ultimate parent of the Group is Coles Group Limited

Coles Supermarkets Australia Pty Ltd

ACN 004 189 708

Our Supermarket business operates 860 stores across Australia. It procures, produces, and retails fresh food, groceries and general merchandise to Australian consumers and includes our Coles Online eCommerce business and Coles Financial Services.

Liquorland (Australia) Pty Ltd

ACN 007 512 414

Our Liquor business operates 998 stores nationally, as well as providing online liquor services within Australia.

Coles Supply Services Pty Ltd

ACN 664 431 510

Coles Supply Services is a business offering products and services to selected business customers.

The Coles Group includes 44 subsidiary entities

These entities undertake a range of functions in support of Coles' businesses, including property development and management, procurement, online services, and import and export of products.

All subsidiary entities are incorporated in Australia, with the exception of an entity that supports Coles Group Insurance (incorporated in Singapore) and one export-related entity incorporated in Hong Kong. Further information is in our Annual Report.

Coles holds a 50% interest in two other reporting entities under the Modern Slavery Act that operate outside Coles and produce their own modern slavery statements:

Loyalty Pacific Pty Ltd (Flybuys)

A joint venture between Coles Group Limited and Wesfarmers Limited, which operates the Flybuys loyalty program.

Queensland Venue Co. Pty Ltd

A joint venture between Coles Group Limited and AVC Sapphire Holdings Pty Ltd. Under this joint venture, AVC Sapphire Holdings Pty Ltd operates hotels in Queensland, WA and SA, and Coles operates the associated retail liquor outlets.

1. In March 2025, Coles Group announced that it was proceeding with the national rollout of 'Simply Liquorland', converting Vintage Cellars and First Choice Liquor Market stores to the Liquorland brand. All Coles Liquor stores will be unified under three banners: Liquorland, Liquorland Cellars and Liquorland Warehouse.

Helping Australians eat and live better every day continued

Our pathway to continuous improvement

Following five years of reporting under the Modern Slavery Act, this year provided an important opportunity for us to take stock of our progress and focus on how we can further enhance our effectiveness in driving positive change.

In FY25, we targeted our actions paying specific attention to our business context and our risk profile. We also scrutinised our progress across the **four 'enablers' identified in our Human Rights Strategy** as essential to achieving our human rights and Ethical Sourcing Program goals. **These enablers include a focus on governance, due diligence, engagement and collaboration, and are underpinned by our work to track our effectiveness.** The information on the right highlights the key actions implemented over the reporting period relevant to each enabler and our current intentions around key future plans.



1. Our Ethical Retail Supply Chain Accord (ERSCA) partners include the Shop, Distributive and Allied Employees Association, the Transport Workers Union and the Australian Workers Union.
2. The United Nations (UN) Global Compact states that a just transition ensures that environmentally sustainable economies are promoted in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. For further information see: <https://unglobalcompact.org/take-action/think-labs/just-transition>

Our enablers

Strong governance

Integrating human rights within business operations, including aligning accountabilities and responsibilities for human rights. This enables us to develop effective policies and reporting structures, and to put in place robust controls to support the prevention and mitigation of modern slavery risks.

Key FY25 activities

- + Updated the governance of our Human Rights Steering Committee and Modern Slavery Working Group and enhanced engagement in these forums.
- + Invested in data governance that enabled targeted program activities.
- + Assessed internal purchasing practices to support the development of a responsible purchasing approach.
- + Developed a training module to support team member understanding of our Human Rights Strategy.

Future plans

- + Continue enhancing data visualisation to better respond to modern slavery risks.
- + Expand our assessment of purchasing practices to more commercial categories to inform the development of our Responsible Purchasing Policy.
- + Integrate our human rights training module as a mandatory requirement for store support centre team members and distribution centre managers.

Effectiveness

Effectiveness, as one of our enablers, underpins our program. This approach enables continuous improvement through ongoing monitoring, reflection and course correcting. It also supports transparent communications and balanced disclosure of our work.

Our four enablers are the core practices that drive continuous improvement. They are essential to achieving our human rights goals, including underpinning our response to modern slavery.

Due diligence

Operationalising the identification and remediation of human rights and modern slavery risks, across our value chain. This supports us to integrate these as part of day-to-day decision-making.

Key FY25 activities

- + In-scope suppliers completed 1,281 audits and we monitored the remediation of 4,373 non-conformances.
- + Investigated 17 grievances raised through our grievance mechanism channels.
- + Streamlined our grievance mechanisms and updated resources with relevant languages.
- + Commenced development of a living wage framework for high-risk countries in our international supply chain, through piloting a living wage gap analysis.

Future plans

- + Expand our living wage analysis to more supplier sites in high-risk countries to understand food sector wage challenges that will help to inform our living wage framework.
- + Continue our services audit program and share insights to support the development of a global services audit standard.
- + Review our modern slavery risks to inform targeted actions, focusing on temporary migrant workers and labour hire providers.

Meaningful engagement and collaboration

Partnering with internal and external stakeholders to address modern slavery risks and progress change. This includes seeking and listening to affected people's views to inform our actions and empowering our team members and suppliers to drive change.

Key FY25 activities

- + Published an Accommodation Standard for worker housing in Australian horticulture and meat supply chains, together with our ERSCA¹ partners and with support from Be Slavery Free.
- + Enhanced internal and external engagement. Delivered 12 training sessions for over 740 supplier representatives, team members and auditors regarding human rights related issues.
- + Held worker education events with our ERSCA¹ partners in Australian produce growing regions, providing information to workers on wages, deductions and grievance channels.

Future plans

- + Utilise the Accommodation Standard to further understand worker housing conditions in our Australian agriculture and meat supply chains.
- + Through developing Coles' Climate Transition Plan, assess and identify human rights risks and opportunities relating to a Just Transition.²
- + Continue engaging stakeholders and civil society, focusing on international shipping, specific product risks including seafood and horticulture, and referral pathways for remediation.

Key FY25 activities

- + Expanded our Ethical Sourcing team's program of site visits to better understand site operations and associated risks, and enable development of targeted measures to address these.
- + Commenced an unannounced audit program for supplier sites in India and Pakistan to support assessing the effectiveness of our audit program.
- + Initiated a strategic review of our Ethical Sourcing Program, focusing on auditing requirements, risk segmentation and internal and external stakeholder insights.

Future plans

- + Expand our unannounced audit program to supplier sites in other high-risk sourcing countries to understand compliance trends, strengthen collaboration and drive continuous improvement in our supply chains.
- + Complete the review of our Ethical Sourcing Program and pilot the outcomes. Commence the embedding of 'evaluating effectiveness' as a core step when developing, implementing and reviewing Ethical Sourcing Program initiatives.

Helping Australians eat and live better every day continued

Our operations and our team

Operating an omnichannel retail business entails a variety of complex tasks with a diverse range of skills. We employ over 115,000 team members in communities across Australia. We have two team member cohorts – operational team members and store support team members.

Our operational cohort includes:

- store team members in our retail stores who serve customers, replenish shelves, bake the goods we sell, collect trolleys, and clean stores
- team members in our Customer Fulfilment Centres (CFCs) and delivery hubs who receive stock, pack online orders or deliver groceries to customers
- team members in our distribution centres who deliver goods to our stores, and in our manufacturing facilities who convert raw materials into customer ready products.

Store support team members have corporate roles in our store support centres ranging from operational support, legal and safety, finance, IT, sustainability, human resources, buying of goods and services, and marketing.

We employ team members directly and use labour hire when required. In addition, we engage suppliers who provide services for our operations, such as cleaning, security, transport, installation and store fit out. We consider these suppliers and their workers to be part of our supply chain (refer to *What we source* section on page 11).

Team members

115,000+

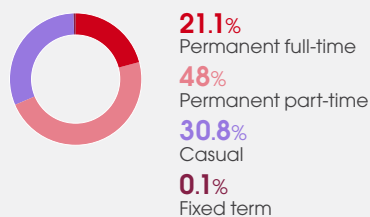
Team members³ that identify as being part of the LGBTQI+ community

9.6%

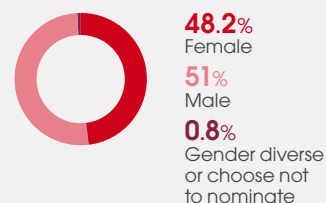
Team members³ that identify as having a disability

7.7%

Employment type¹



Our team members¹ identify as



Team members³ that identify as Aboriginal or Torres Strait Islander

3.5%

Team members that are covered by an Enterprise Agreement

85.1%

and 28.9% of our team members are union members²

1. As at week ended 29 June 2025.

2. Approximation based on instances where union fees are paid directly out of a workers' wages.

3. Based on results of our May 2025 *mysay* team member engagement survey (69% participation).

Retail outlets

At the end of FY25, our retail network had 1,858 stores across Australia, including Coles Supermarkets, Coles Local, Liquorland, First Choice Liquor and Vintage Cellars. In addition we have two CFCs (in Victoria and NSW).

Distribution network

Our retail stores, supply services and digital businesses, are serviced by a network of 28 Coles-operated and third-party distribution centres in Australia, including traditional distribution centres and two Automated Distribution Centres (ADCs) (in Queensland and NSW).

Processing and meal solutions

We operate six manufacturing facilities in Australia (in NSW and Victoria) that focus on meat processing, milk processing, ready-made meals, and meal kits.

Store support

Store support functions, including buying, marketing and safety, support our operations. We also develop, construct and refurbish stores in partnership with third parties.

Financial services

Through Coles Financial Services we offer credit cards and insurance. We also offer mobile phone plans through Coles Mobile.

Digital services

We also service both retail and business customers through online channels. We provide same day delivery through third parties and next day delivery through our fleet of over 1,100 Coles Online vehicles (either from our home delivery stores or our CFCs). We also operate Coles 360, which offers retail media solutions, including market insights and support, Swaggle, an online pet supplies business, and QuiteLike, a meal subscription service.

Export

We export packaged meat, including to Asia, the Pacific, and North America.

Business to business

We provide products and services to selected business customers.

Our governance

Our modern slavery strategy and response is integrated into our broader governance structure, supporting alignment and accountability across multiple levels of the business.

COLES GROUP BOARD

Responsible for overseeing Coles' Human Rights Strategy, modern slavery strategy and response, and the Ethical Sourcing Program. This includes approving our Modern Slavery Statement and key policies and standards. Receives quarterly updates regarding human rights, including modern slavery through reports and accompanying meetings.

Audit and Risk Committee

Responsible for overseeing Coles' Risk Standard and internal risk controls. This includes overseeing Coles' ethical sourcing performance (including through review of key risk indicators), overseeing the effectiveness of our ethical sourcing risk management systems (including in relation to modern slavery), and overseeing whistleblower complaints.

Executive Leadership Team

Responsible for overseeing execution of Coles Group policies and strategies. This includes being responsible for the procurement of goods and services within their respective functions in accordance with Coles' Ethical Sourcing Policy. Functional teams include Coles' category teams, procurement teams, contract owners, contract managers and product technologists. They have the direct relationships with suppliers and are responsible for the day-to-day execution of the Ethical Sourcing Program.

Sustainability Steering Committee

A cross-functional governance and decision-making body chaired by the Chief Commercial & Sustainability Officer. Established to manage the delivery of Coles' sustainability strategy. The Sustainability Steering Committee also has oversight in the management of human rights, including modern slavery.

Diversity and Inclusion Council

A cross-functional management committee sponsored by the Chief People Officer. Supports the delivery of Coles' diversity and inclusion commitments.

Human Rights Steering Committee

A cross-functional management committee sponsored by the Chief Legal & Safety Officer. The Human Rights Steering Committee guides our approach and management of human rights, including modern slavery.

Modern Slavery Working Group

A sub-committee of the Human Rights Steering Committee composed of team members from different functions in the business. Accountable for supporting modern slavery risk management across our operations. Working group members include team members from ethical sourcing, procurement, commercial, risk and compliance, Own Brand, operations, people and culture, employee relations and sustainability.

Ethical Sourcing team

Reporting into our Group Safety and Legal Function. A dedicated team accountable for the management and implementation of the Ethical Sourcing Program, working cross functionally with key areas including procurement and commercial teams. The team includes 12 permanent team members and two contractors (one in Hong Kong and one in Australia) with diverse backgrounds, expertise and perspectives.

Helping Australians eat and live better every day continued

Governance and risk management process

Strong and clear governance processes are essential for building an effective modern slavery response and embedding it into day-to-day operations. The section below outlines how ethical sourcing considerations are integrated in various business processes, supporting our modern slavery response.

Integration in organisational risk management

Ethical sourcing risks are managed in accordance with our Risk Standard. This includes monitoring performance against an agreed risk appetite for ethical sourcing risks, which are reported quarterly to the Audit and Risk Committee and the Board.

There are key risk indicators for monitoring performance of the Ethical Sourcing Program that define when risk levels are within appetite, setting clear expectations for our teams and guiding team actions and due diligence efforts.

Weekly monitoring of supplier audit non-conformances, regular review of audit reports, and active engagement with commercial and procurement teams and suppliers are undertaken to track whether our Ethical Sourcing Program Requirements are being met in our supply chain.

Through this process, we gain deeper insights into our suppliers' operations, including where modern slavery risks may emerge and how our own business practices could contribute to them. This knowledge enables us to take proactive steps to prevent and reduce these risks.

Ethical sourcing due diligence in purchasing practices

We have processes to conduct due diligence on engagements in scope of our Ethical Sourcing Program. Internally, these are communicated through our Own Brand Product Development (OBPD) process and our Third-Party Risk Management (TPRM) process for our goods not for resale (GNFR). Externally, they are communicated to suppliers through our Ethical Sourcing Program Requirements. These documents provide the compliance requirements and management actions prior and post business award.

We engage with potential suppliers to understand if our requirements can be met, supporting us to identify potential human rights and modern slavery risks early on. This process aims to prevent the entering of new engagements where risks cannot be addressed or mitigated.

Continuous improvement

In FY25, we reviewed and updated the governance and membership of our Human Steering Rights Committee (HRSC) and Modern Slavery Working Group (MSWG). The HRSC was updated to align with our Human Rights Strategy which was refreshed in FY24, including changes to business function representation to support its implementation. We also facilitated engagement with MSWG members on our modern slavery risk profile and statement development. We plan to have learning opportunities for members of these forums to enhance their knowledge of human rights and modern slavery risks.



Pictured: Chris with Coles team member Shae at Coles Liquor Own Brand supplier Brick Lane Brewery in Victoria.

Responsible purchasing practices

Purchasing practices are the actions team members take when buying goods or services on behalf of Coles. These actions are relevant to our commitment to ethical sourcing, and working to integrate these into our operations with governance structures can support to mitigate human rights risk.

In our previous statement, we committed to developing a Responsible Purchasing Policy to clarify team member responsibilities and reference considerations when purchasing products or services from suppliers. This work is ongoing, and our focus is on deepening our understanding of existing practices and processes across commercial units to enable responsible purchasing.

In FY25, we engaged with internal commercial teams and suppliers to evaluate current purchasing practices in selected commercial categories.

This included engagement with a supplier in Thailand to assess our practices against the Ethical Trading Initiative's (ETI) Common Framework on Responsible Purchasing Practices for Food. The framework outlines best practice approaches in the food sector, offering guidance to help companies collaborate with stakeholders and take practical steps to support better labour standards throughout their supply chain. The assessment explored various factors, including how openly suppliers can raise production challenges, whether lead times are developed collaboratively to allow for fair risk sharing, and whether systems are in place for timely payment.

Key reflection

The results have provided valuable insights, highlighting where Coles is on the right track and where further opportunities lie. To inform the development of our Responsible Purchasing Policy, we plan to expand this assessment to additional business units. This policy will seek to promote fair, transparent, and collaborative relationships with our suppliers.

What we source

Our suppliers are key partners in our modern slavery response. We work closely with them to communicate our expectations and manage potential modern slavery and ethical sourcing risks.

We broadly define our supply chain in two categories – goods for resale (GFR) and goods not for resale (GNFR). Below are some examples of what we source (not an exhaustive list).

Goods for resale

We procure an extensive range of goods for resale from over 4,500 direct suppliers. These include the products we retail in our stores and online from proprietary suppliers, as well as goods from suppliers producing Coles Own Brand or Coles Liquor Own Brand products.

	Grocery	Sauces, rice, pasta, canned foods, confectionery, tea, coffee, cereals, beverages, oils, ambient juices
	Health and Home	Homewares, beauty, cleaning, apparel, personal care, electronics, toilet paper, pet food
	Meat, Deli, Seafood	Fresh and processed meats, antipasto, olives, fresh and frozen fish, gourmet cheese
	Fresh Produce	Fresh fruit, nuts, vegetables, packaged salad leaves, prepared vegetables, herbs, flowers
	Dairy, Frozen, Convenience	Cheese, milk, frozen vegetables and fruit, ready-to-eat meals, eggs, ice cream, yoghurt
	Bakery	Bread, packaged cakes, seasonal fruit mince pies
	Liquor	Wine, beer, spirits, ready-to drink options

Goods not for resale

We procure a range of goods and services not for resale from over 4,000 suppliers. These encompass non-tradeable goods and services we procure to support our operations.

	Store Operations	Utilities, maintenance, trolleys, installation services, consumables such as gloves, security, cleaning services, waste management
	Indirect and Marketing	Marketing, print and media services, uniforms, packaging materials
	Supply Chain	Logistics, warehousing, transport services, last mile delivery suppliers ¹ , labour hire
	Property and Construction	Property construction, management, and development
	Capital	Store fit out and installation services
	Technology	Hardware, software, services related to technology

1. Last-mile delivery is the final step in getting an order to its ultimate destination, usually a customer's home.

Going further down the tiers: collaborating to deepen our understanding on palm oil and human rights risks

Palm oil is a key ingredient in a range of both food and non-food products. However, its production has been associated with human rights concerns, including risks of modern slavery and worker exploitation.

To deepen our understanding of the human rights and environmental risks in the palm oil supply chains linked with Coles Own Brand products, we commenced a project with the Rainforest Alliance to map our palm oil supply chains in Coles Own Brand products from the product on shelf, back to the palm oil mill, where possible.

The information collected is intended to provide us with improved visibility of the most significant human rights risks specific to the sector, relating to forced and exploitative labour, child labour, worker health and safety, and workers' accommodation across the different tiers. This exercise will also provide insights into the complexities of mapping tiers deeper in the supply chain to enable us to determine practical next steps.

What we source continued

Managing a multi-tiered, extended supply chain in retail spanning diverse product categories, geographies, and service types is inherently complex. This complexity is shaped by several factors, including:

Geographic	Seasonality	Product and services	External factors	Multiple tiers
The size, capacity and locations of our suppliers can differ significantly; for example, ranging from small family farms in Australia to large multinational companies in Australia and overseas.	We also need to manage seasonality in our supply chain. For example, some suppliers provide us with seasonal products (like Easter chocolates or seafood) for a short window while others provide high volumes of product year-round (such as dairy suppliers).	These vary; for example, food products can be fresh or packaged, while non-food items may have minimal packaging. Services can range from professional consulting to installation or security services.	Climate change, natural disasters, unseasonal weather events and geopolitical issues can affect supply chains. We also need to be resilient to seasonal changes in our supply chain to maintain appropriate stock levels.	Tier one suppliers have a direct contractual relationship with us. Tier two suppliers support tier one suppliers by providing necessary products, services, or processes to them. Tier three suppliers are engaged by tier two, often supplying product components or additional labour.

The diagrams below and on page 13 provide an example of our supply chains from raw material to store demonstrating various tiers and businesses engaged in creating and delivering products for consumers to purchase.

Australian apples – from orchard to plate



Seedling and growing

Apple seedlings (from seeds sourced in Australia) are propagated in nurseries in Australia where workers graft plants and manage them so they can flourish and be sold.

Seedlings are then grafted in orchards onto appropriate root stocks. Workers in our supply chain (including directly employed workers, labour hire and seasonal workers) maintain orchards in apple growing regions of Australia.



Crop management

Workers in the orchards undertake crop management, thinning and pruning of trees to promote growth and size of harvestable fruit.



Harvesting

Workers in the orchards pick apples to avoid bruising, and may use harvest aids to pick apples from higher up the tree.



Temperature management

Workers move apples into refrigerated storage before and during transit to packing facilities.

Refrigerated storage includes short-term conventional refrigeration or controlled atmosphere if they need to be kept for longer periods of time.



Packing and quality assurance

Once apples are received in the packing facility or out of cold storage, they are washed, dried, sized, sorted and packed, ready for transport to distribution centres (to be sold as fresh fruit) or stored for further processing (to be used as an ingredient in other products). Grading and sizing of fruit is generally mechanised, while workers hand-pack fruit into trays.

Once packaged, apples are returned to cold storage before and during transit to stores.



Distribution and retail

Workers in our logistics supply chain deliver apples to our distribution centres, then on to our stores. Workers in our distribution centres move the apples to be ready for pick-up and delivery to our stores.

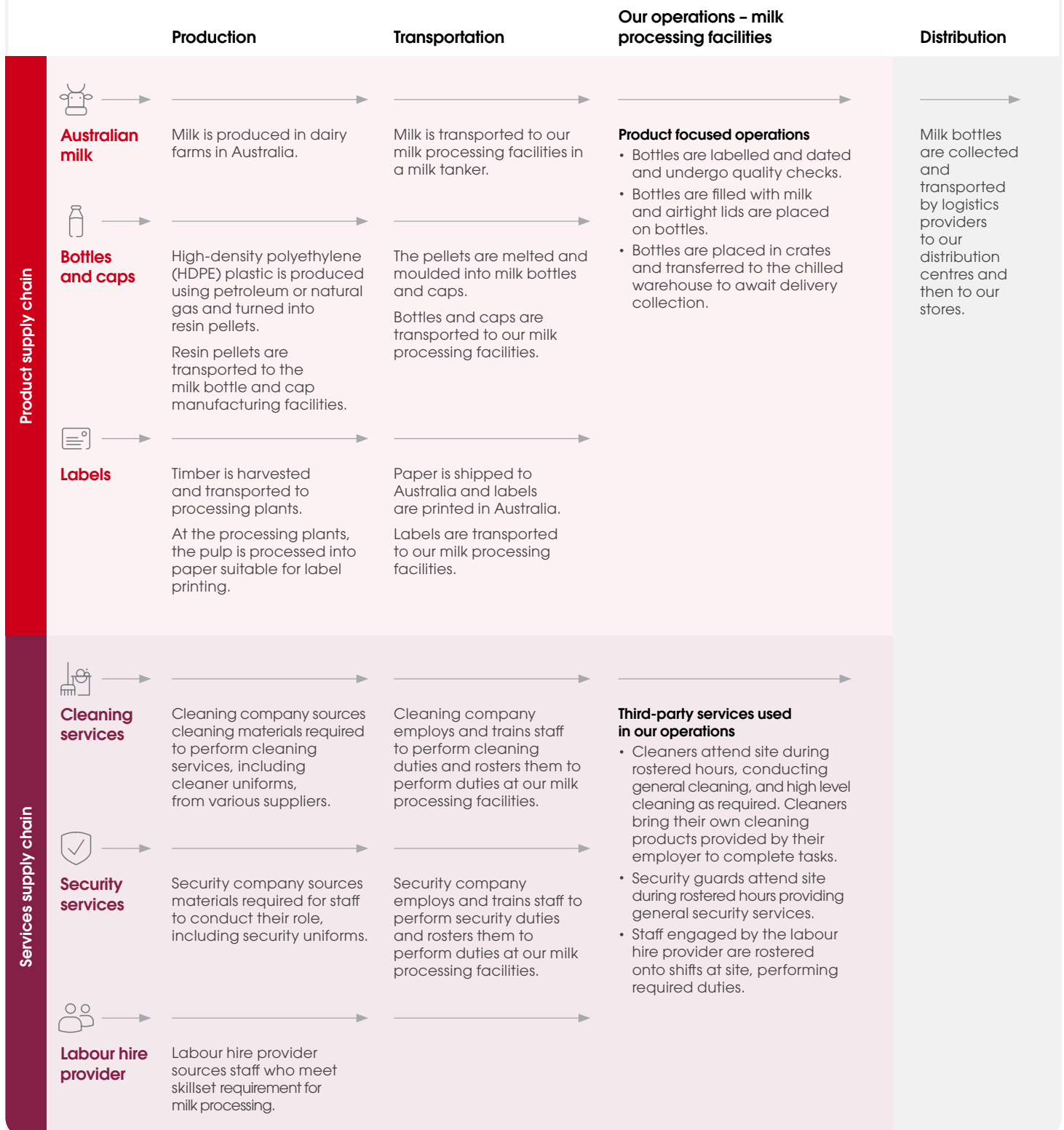
Workers in our stores prepare and display the apples ready for sale to customers.



Delivery to customer

Workers of last mile delivery suppliers fulfil orders by picking up apples from stores or online distribution centres and delivering them to customers who place online orders.

Australian milk – from farm to store



Modern slavery risks

We integrate our work to address modern slavery risks into our wider human rights risk management approach. This means that we seek to take a systematic and coordinated approach to addressing serious human rights harm that could be relevant to our operations and supply chains.



How we understand and assess our modern slavery risk profile

Our modern slavery risk profile

Understanding our modern slavery risk profile and how it may evolve supports us to target our risk management actions. Our modern slavery risk profile is shaped by three key elements: our business context as a large retailer in Australia; the types of modern slavery risk factors relevant to our business context; and our potential level of involvement with each risk.

Our business context

Our assessment of our modern slavery risks is anchored in our understanding of our business context as a large Australian retailer, including:

- widespread physical presence (bricks and mortar stores and distribution centres) across the country
- reliance on a large workforce, where some roles have low barriers to entry to support our operations

- focus on high-volume and low-margin products
- reliance on extensive transportation and logistics networks
- diverse resale and not for resale procurement footprint, spanning from fresh produce and cleaning products to uniforms for our team members
- global sourcing footprint from 43 countries.

Modern slavery risk factors

There are a range of modern slavery risk factors relevant to our business context, including our supply chains. These include:

- limited visibility or control over working conditions in the supply chain, due to the use of subcontracting, third-party recruitment/labour hire, irregular hours and/or isolated working conditions (including outside of standard business hours)

- presence of workers who may be more vulnerable to exploitative practices, including migrant workers, temporary or seasonal workers, younger workers, and lower skilled workers
- sourcing from higher risk geographies where modern slavery is comparatively more prevalent.

We assess risk factors through standalone assessments such as our salient human rights assessment and conduct ongoing monitoring through other tools to identify risks as outlined in the diagram below.

Our potential level of involvement

In line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), we recognise businesses can be involved in modern slavery harm in three ways:

- **CAUSE:** A business may cause modern slavery or other human rights harm where its actions directly result in the harm occurring.
- **CONTRIBUTE:** A business may contribute to modern slavery or other human rights harm where its actions or omissions facilitate or incentivise the harm occurring.

- **DIRECTLY LINKED:** A business may be directly linked to modern slavery or other human rights harm through its services, products or operations. This includes situations where modern slavery may occur in a businesses' extended supply chain.

We use the UNGP continuum of involvement to understand and evaluate how modern slavery might occur in our operations and extended supply chain.

Our tools to identify risks

Audit scheme platforms

Sedex (Supplier Ethical Data Exchange) platform – an online supply chain management platform and ethical audit provider.

Fair Farms – a certification program for fresh produce suppliers and ethical audit provider.

Supplier facing platforms

SAP Ariba – integrates third-party supplier risk assessment and due diligence into the procurement lifecycle of our goods not for resale (GNFR) suppliers, as part of our Third-Party Risk Management (TPRM) process.

Fusion – houses information on our goods for resale (GFR) Coles Own Brand suppliers and products from creation to completion, including sites responsible for manufacturing, product specifications, quality standards, and product certifications.

Third-party risk platforms

Informed365 – consolidates third-party ethical sourcing data and in-house systems into one platform to track Ethical Sourcing Program compliance.

Exiger – provides information on risk factors, including environmental, social and governance factors which we use to screen proprietary goods for resale (GFR) suppliers.

InfoTrack – provides information on companies and business names including status, directors and shareholders, which we use during investigations of grievances raised through our grievance channels.

Monitoring public reporting

We monitor media and public reports relating to human rights issues connected to our supply chain as a risk identification tool.

Dow Jones – provides risk data and due diligence services, which we use to assess in-scope GNFR suppliers during the TPRM process.

Grievance mechanisms and worker voice

Tracking grievances raised from different channels helps us to identify areas of concern. Feedback from unions and workers in our supply chain helps us understand risks on the ground.

How we understand and assess our modern slavery risk profile continued

Our integrated approach recognises that modern slavery does not occur in isolation and is often closely connected to other human rights harms.

Modern slavery also occurs on a continuum of exploitation, where other human rights issues such as dangerous and substandard working conditions can escalate into modern slavery if not addressed.

We focus our human rights risk management approach on eight key areas that we have identified as being where the most severe impacts on people may exist across our operations and value chain.

These are our 'salient human rights issues' and underpin our Human Rights Strategy. We undertook a detailed assessment in FY24 to identify our salient human rights issues. Six of our eight salient issues are relevant to modern slavery as outlined in the diagram below.

1 Severe exploitation

Severe exploitation includes modern slavery practices such as forced and bonded labour.

2 Living wage

Payment below a living wage may mean workers are more vulnerable to exploitative practices, including excessive overtime.

3 Climate social impacts

Climate change-related events can have broad social impacts such as increased migration, making people vulnerable to exploitation.

4 Grievance and remediation

People impacted by modern slavery need access to trusted and accessible grievance mechanisms to enable remediation.

5 Equity and inclusion

In some cases, people vulnerable to inequality and exclusion may have a higher risk of modern slavery, such as migrant workers.

6 Appropriate work

Appropriate work means people are paid fairly and have stable and consistent employment, reducing their vulnerability to exploitation.



Identifying emerging risks – responsible use of Artificial Intelligence (AI)

AI is adopted across our business and supplier network, offering benefits such as improved efficiency, enhanced decision-making, and better customer experiences. However, we recognise the human rights risks associated with AI technologies.

For example, AI systems used in recruitment, surveillance, and workforce management can heighten modern slavery risks in our supply chain by enabling exploitative practices or reinforcing bias. AI use can also involve a range of broader human rights risks, including potential negative impacts on privacy, freedom from discrimination and the environment.

Roles supporting AI such as content moderation and AI training, may also expose vulnerable workers to harmful material under poor conditions, especially when outsourced to low-cost regions with limited protections.

To address risks associated with use of AI, we are developing a Responsible AI Policy to guide how we use, build and deploy AI in a way that aligns with and supports our human rights commitments. As part of this process, we engaged external experts to review our policy against both the UNGPs, and the Voluntary AI Safety Standards (including the associated mandatory AI Guardrails, aligning with IS/IEC 42001).

We have also introduced AI contracting terms for use in applicable procurement arrangements. These contract terms outline our expectations pertaining to the use of AI and data handling (and other contractual matters). This is being rolled out with targeted suppliers and will expand as more contracts are initiated or renewed.

We acknowledge that AI is evolving, and that it is a complex and continually developing landscape. We remain committed to continuous learning, stakeholder engagement, and strengthening our approach in line with our human rights commitments.

Our modern slavery risk profile – operations

We assess that our highest modern slavery risk areas are in our extended supply chain rather than in our direct operations.

This has been validated through our FY24 salient human rights assessment (which reviewed both our supply chain and direct operations) and other modern slavery specific risk assessment processes. However, as detailed in the *How we understand and assess our modern slavery risk profile* section commencing on page 15, we recognise that the nature and characteristics of some elements of our workforce could give rise to potential modern slavery risk factors in relation to our direct operations.

Our assessment of how modern slavery risks could be relevant to our direct operations is grounded in our understanding of our business context and the types of modern slavery risk factors relevant to that environment. For example, our direct operations are concentrated in Australia, which has a comparatively strong legislative framework in place to prevent workplace exploitation. The nature of our business also means that many of the workers in our direct operations are located in stores, processing facilities, distribution centres and office environments, rather than in more isolated locations where it may be more difficult to monitor working conditions.

In the Coles environment, we consider that our engagement of operational and store support team members presents a low risk of modern slavery due to the range of existing controls and processes we have in place that mitigate this risk. This includes the high level of visibility and control we have over team members' working conditions that are predominately regulated through industrial instruments negotiated with relevant unions and our processes to comply with legislative requirements on the legal age of employment in Australia. We also have a strong focus on providing a safe and respectful working environment and providing team members with appropriate work, including processes to help ensure our team members are paid their correct entitlements (refer to *Managing risks in our operations* section on page 24).

Operational team members



Pictured: Coles Customer Fulfilment Centre team members Clem and Deniz.

Roles include:

Store manager, customer services, operation of registers, replenishing stock, collecting trolleys, cleaning stores, manufacturing products, packing online deliveries, conducting warehousing and logistics services.

Potential modern slavery risk factors:

Some of these roles may involve workers who, outside the Coles environment, may be considered more vulnerable to modern slavery. This includes younger workers below the age of 18 and workers who are visa holders. Other potential modern slavery risk factors could include irregular hours and the performance of work outside core business hours.

Store support team members



Pictured: General Manager Commercial, Health & Home, Leanne White and Executive General Manager CFCs & Digital Merchandising, Jonathan Torr at the Coles Store Support Centre in Melbourne.

Roles include:

Above store managers (including regional managers), and team members responsible for areas such as legal and safety, finance, IT, human resources, buying of goods and services and marketing.

Potential modern slavery risk factors:

There are minimal modern slavery risk factors associated with this cohort of workers. Compared to operational team members, they have a higher proportion of office-based and full-time roles and do not generally involve younger workers.

Our modern slavery risk profile – supply chain

We recognise that our diverse sourcing footprint and the specific workforce characteristics in parts of our extended supply chain, present a range of modern slavery risks.

These risks are heightened by limited visibility deeper in our extended supply chain. The table below outlines hypothetical examples of potential modern slavery risk areas across our extended supply chain.

The UNGPs explain that businesses can be at risk of being involved in modern slavery and other human rights harm in three ways: by causing, contributing to, or being directly linked to the harm. For the hypothetical examples below, our assessment indicates that we are most likely to be directly linked to potential modern slavery incidents. We however acknowledge that our actions could potentially contribute to modern slavery in certain circumstances, such as if we fail to respond appropriately to credible reports (including evidence from audits) of modern slavery involving a supplier.

	Potential modern slavery risk area	Risk factors	Hypothetical examples (our relationship to the risk)
Goods for resale	Australian fresh produce	 	Directly linked/contribute Migrant workers in Australia working on an established visa with an approved employer could become disengaged from their programs for various reasons, leaving them at higher risk of exploitation in the informal economy. Those workers could then be recruited and exploited by labour hire providers in our extended supply chain.
	Seafood	  	Directly linked Industries reliant on manual labour by temporary migrant workers such as seafood processing are at risk of deceptive recruitment, where workers are misled about job conditions and may then become trapped in unsafe and exploitative environments through isolation, threats and/or other forms of coercion.
	Certain grocery products such as tea, coffee, rice, and spices	  	Directly linked/contribute A worker on a rice farm in Asia may need a loan to cover family expenses. In some cases, the employer may offer this loan to the worker with exploitative terms (such as excessive interest rates) which make the loan difficult or impossible to pay off leading to worker debt bondage.
	Liquor value chain including ingredients, wine grapes and grains	  	Directly linked The worst forms of child labour may occur in sugar cane fields in our extended supply chain in Latin America, Asia and Africa, where sugar potentially used in our international liquor supply chain originates from. Child labour could take place as a result of economic hardship and seasonal migration. Child labourers may then be exposed to hazardous conditions including long hours and dangerous equipment.
	Health and home products such as homewares, kitchen needs items, electronics, and rubber gloves	 	Directly linked/contribute Migrant workers in manufacturing facilities in South East Asia may be hired without formal contracts and thus be ineligible for benefits and legal protection. Employers could exploit this power imbalance through imposing long working hours and making threats of dismissal if workers complain. These conditions could foster the persistence of exploitative practices.
Goods not for resale	Third-party services provided to our stores and distribution network	 	Directly linked/contribute Supplier services such as trolley collection, security, and cleaning are typically low-barrier, entry-level positions that attract potentially vulnerable worker cohorts, such as international students. While these jobs provide accessible employment, some students may exceed visa limits placing them in vulnerable situations or at risk of deportation.
	International supply chain such as shipping	  	Directly linked Seafarers from countries with limited labour protections may face debt bondage due to excessive recruitment fees forcing them to work under exploitative conditions to repay their debts. Being isolated at sea with limited communication channels, may also make it difficult to report abuse or seek support.

Risk factors:



Presence of workers who may be more vulnerable to exploitive practices



Higher risk geographic areas



Limited visibility over working conditions

Ethical Sourcing team site visits



Pictured: Coles team members Emily and Chloe visit Coles supplier Australian Pharmaceutical Manufacturers in Victoria.

In-person supplier and site visits are an essential element of our Ethical Sourcing Program. These engagements support our efforts to address modern slavery and other human rights risks by allowing us to gather insights and feedback ‘on the ground’.

During FY25, our Ethical Sourcing team continued to prioritise supplier and site visits across Australia. This included visits to suppliers in sectors such as fresh produce, meat, liquor, health and home, and waste recovery. We also visited other sites relevant to our operations, including distribution centres and manufacturing sites.

Where possible, we take a cross-functional approach to supplier and site visits by including representatives from the relevant Coles business unit, as well as the Ethical Sourcing team. Post visit, we also share key outcomes across the Ethical Sourcing team and with key business units.

Our focus on supplier and site visits within Australia reflects that a large portion of our supply chain is based in Australia (over 67% of tier one or two suppliers in scope of our Ethical Sourcing Program). We recognise these domestic supply chains can involve a range of potential ethical sourcing risks, including modern slavery (refer to the table on page 18).

Our experience is that undertaking these supplier and site visits supports our work to assess and manage modern slavery risks, including by:

- **Building our relationships with suppliers.** By facilitating face-to-face interactions and dialogue with suppliers, these visits enable us to build relationships with key suppliers. In our experience, this allows for a level of two-way engagement that is difficult to achieve through desktop-based assessments and document reviews.
- **Strengthening our understanding of the wider operational environments for our suppliers and how these may shape suppliers’ exposure to modern slavery and other ethical sourcing risks.** For example, our visits have helped us to understand challenges for suppliers located in rural and remote areas, such as difficulties recruiting workers. Our visits have also shown us how suppliers can be impacted by external factors, such as natural disasters and changes in weather patterns, that may create additional pressure on suppliers’ workforces, such as by affecting harvest timings.

- **Assisting us to understand the experience of workers who may be vulnerable to exploitation in our supply chain.** For example, as part of our site visits, we partnered with a union to visit accommodation provided to workers engaged through the Pacific Australia Labour Mobility (PALM) scheme.
- **Enhancing our understanding of how our audit program can drive change with suppliers.** While we acknowledge that some suppliers may find ethical sourcing audits complex, a number of our suppliers have shared positive feedback about audit experiences during visits. This includes how audits have prompted them to implement new systems and processes – ranging from improved health and safety initiatives to labour management practices.

The insights we gain from site visits form part of the feedback loop described on page 23 by informing other elements of our modern slavery response and helping us tailor our approach to better meet the specific needs and contexts of our suppliers. For example, our understanding of modern slavery risks guides us in selecting suppliers for visits, while the learnings we gain from visits can help shape our actions to manage risks related to issues such as poor accommodation or use of labour hire providers.

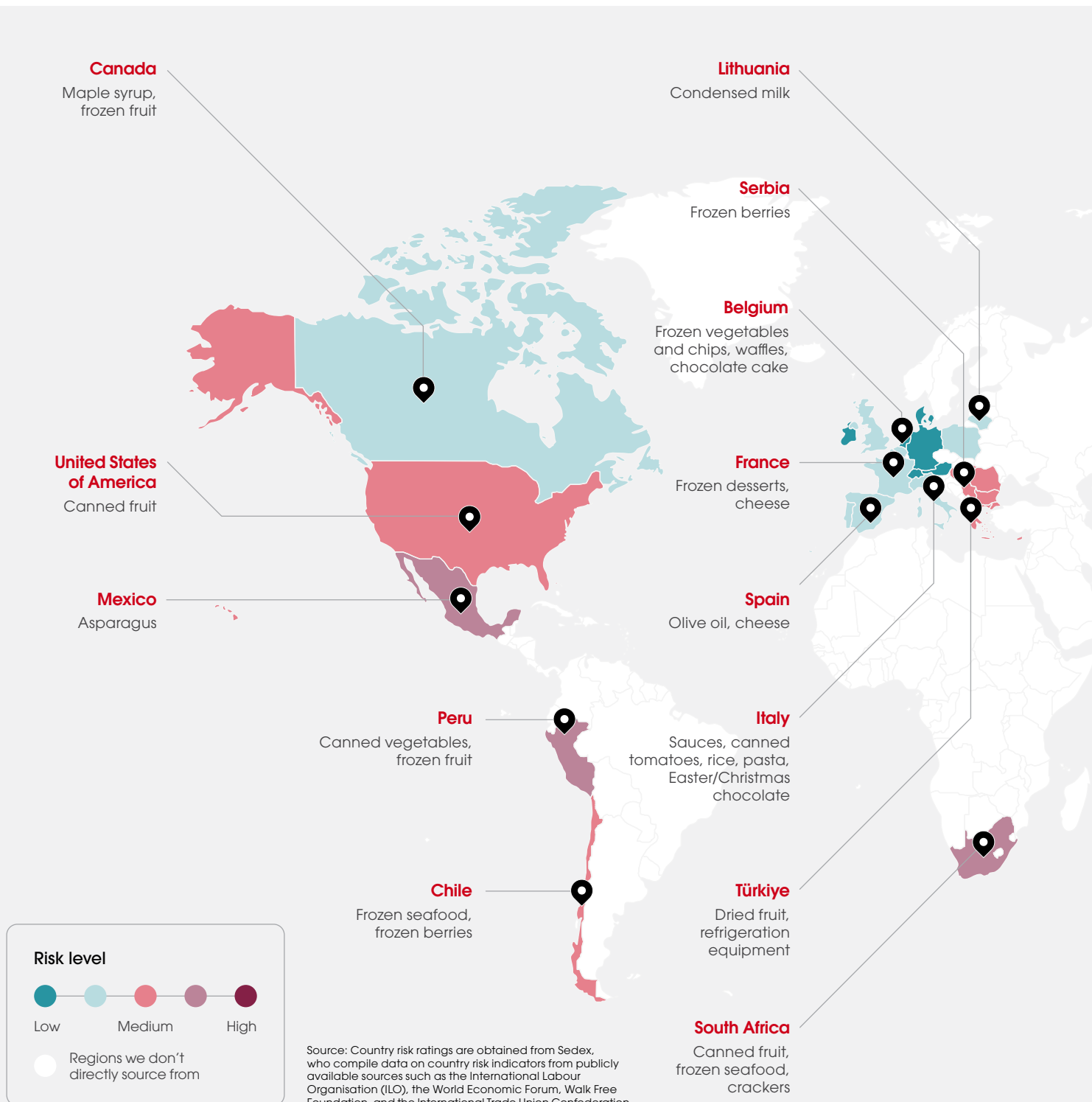
Our exposure to geographic risks

Geographic factors including weak labour protections, socioeconomic conditions, high migrant worker populations, conflict, and natural disasters can elevate modern slavery risks.

Our Ethical Sourcing Program integrates these country-level risks into our risk assessment framework.

This map highlights the 43 countries where suppliers covered by our Ethical Sourcing Program are located. Appendix 3 provides further detail, including the number of suppliers in each country and the categories of products or services which are supplied.

The map identifies examples of products we source or services procured in selected countries.



1,850

Tier one and two suppliers managed through our Ethical Sourcing Program

43

Countries where suppliers managed through our Ethical Sourcing Program are located

1,253

In-scope suppliers located in Australia

597

In-scope suppliers located overseas



Australia

Composition of the 1,253 Australia-based suppliers in-scope of the Ethical Sourcing Program by business category



56%

Fresh Produce

12%

GNFR (products and services)

8%

Grocery

7%

Dairy, Frozen & Convenience

7%

Meat, Deli, Seafood

4%

Bakery

4%

Health & Home

2%

Liquor

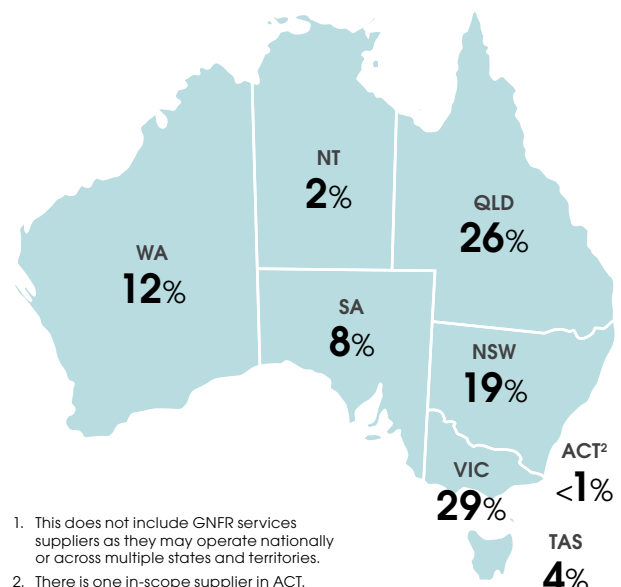
Supply chain

Poultry, meat, dairy, seafood, fresh fruit and vegetables, nuts, wine, beer, spirits, paper products, ready-made meals, construction, security, gig economy, transport and logistics

Our operations

Labour hire, cleaning, food manufacturing, meat and milk processing, trolley collection

Composition of product suppliers¹ in scope of the Ethical Sourcing Program in Australia by state or territory



1. This does not include GNFR services suppliers as they may operate nationally or across multiple states and territories.

2. There is one in-scope supplier in ACT.

Our modern slavery response

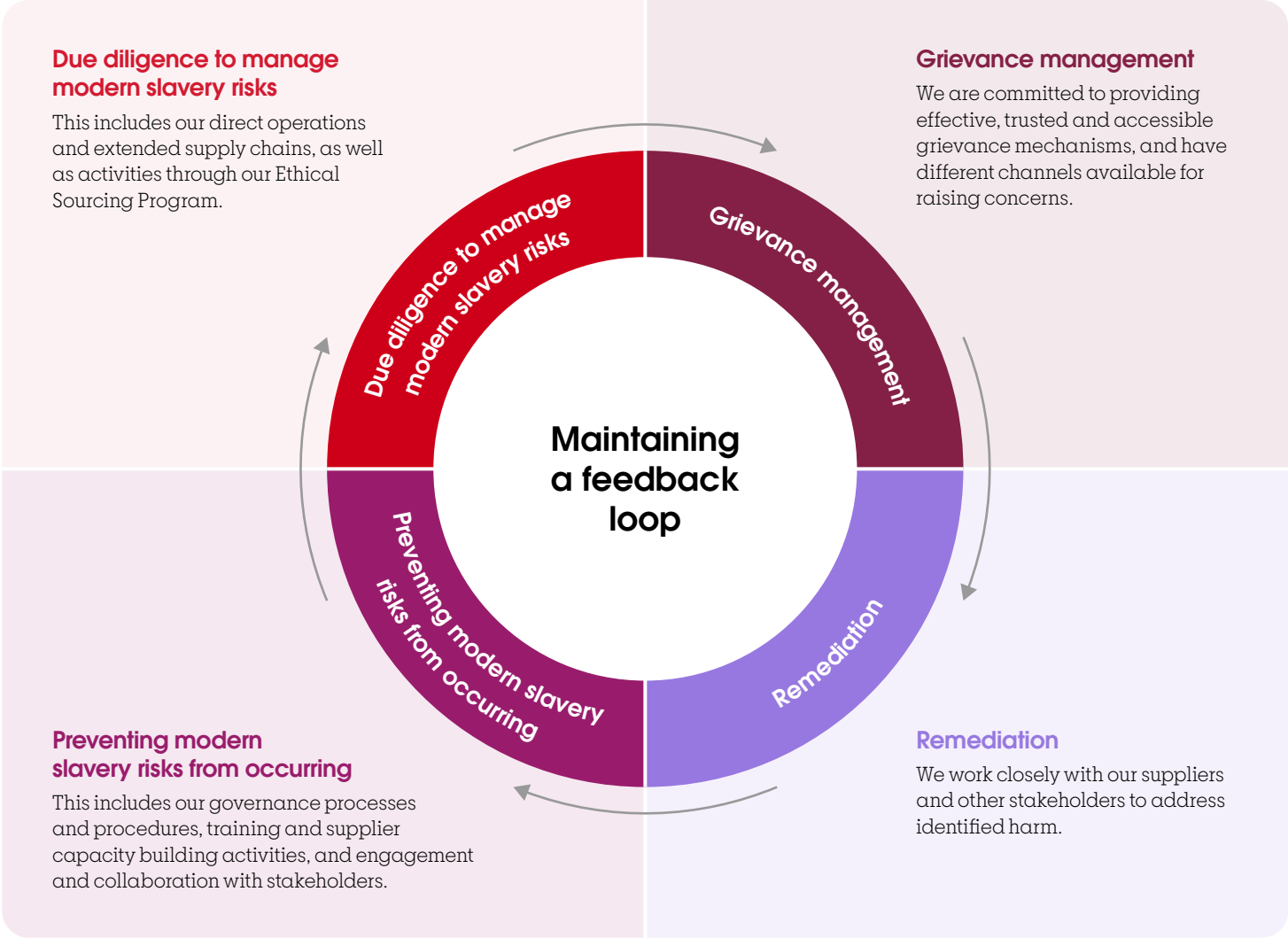
We implement a suite of actions to manage our modern slavery risks.

This includes due diligence processes, grievance management and prevention activities. We continuously refine our approach to enable an effective response.



Pictured: Senior Product Technologist, Brendan, and Head of Employee Relations and Ethical Sourcing, Amy Cunningham with Rebekah from Montague Farms in Victoria.

The following section outlines the key components of our modern slavery response, including:



Maintaining a feedback loop

We aim to maintain a continual ‘feedback loop’ across the different elements of our modern slavery response. This helps us to ensure that our work in each area is informed by and also informs the other elements of our broader response. This approach is aligned with our effectiveness enabler that underpins our modern slavery response by integrating a strong focus on monitoring, reflection, course correcting and ongoing learning in our work.

This ‘feedback loop’ is key to us refining our modern slavery and broader ethical sourcing response through a continuous improvement approach. For example, when we work to address a risk area we have identified in our supply chain, we make an effort to understand the root causes and assess if our own practices may have contributed to increased risks. This in turn helps us to better understand the risk and why and how it occurs, which can inform the development of longer-term, systemic solutions, rather than more ad hoc approaches.

Similarly, feedback from responding to labour rights concerns raised through our grievance mechanism channels may help us to identify additional actions we can take to manage a relevant risk area. For example, if we saw a trend of complaints relating to underpayment in a certain supplier sector, this might indicate a need for capacity building with these suppliers around this issue. An example of this feedback loop in action is reflected in the case study on page 19.

Due diligence to manage modern slavery risks

Managing risks in our operations

As outlined in our Human Rights Strategy, one of our priorities is providing team members with appropriate work and conditions.

Our People and Culture teams are responsible for managing systems and controls designed to protect human rights in our own operations. They manage payroll compliance, remediation, diversity and inclusion, remuneration and partnering with operations.

The Employee Relations team, reporting into our Legal and Safety function, manages industrial relations and other employment compliance matters.

Collectively, these teams manage a range of processes and controls for compliance with legislation relating to team members' health, wellbeing and remuneration. We respect our team members' rights to freedom of association and collective bargaining and continue to work closely with the relevant unions and team members' representatives. We have a range in controls in place as outlined below.

Policies

- Established policies in place outlining the requirements expected of team members and the way they behave (refer to *Policies and procedures* section on pages 35–36).

Working conditions and wages

- Long-standing industrial instruments, that have been negotiated with the relevant unions, set and regulate working conditions for our operational team members.
- Written contracts set out the terms of employment for team members, including remuneration, working hours, leave and other benefits.
- Established processes to regularly review, set, monitor and address remuneration requirements so that team members are paid their correct entitlements.
- Where possible, direct employment of workers involved in higher risk sectors, such as trolley collection and cleaning, rather than engaging external contractors.

Recruitment, age verification and other employment checks

- Processes in place for pre-hire checks during recruitment to verify the age, identity, working rights and qualifications of applicants to determine if team members can appropriately fulfil their roles. For candidates that hold temporary working rights, this includes procedures for ongoing monitoring of their legal right to work in Australia.
- Established processes during recruitment to request electronic copies of personal identity documents (through a secure portal).
- Process in place to prevent employment of individuals under the age of 15, including steps to verify this during recruitment.

Due diligence

- Due diligence through our Ethical Sourcing Program covers third-party labour hire providers and other third-party services providers used in our direct operations and distribution centres (refer to *Managing risks in our supply chain* section on pages 25–29).

Grievance mechanisms

- Grievance management framework in place, which includes accessible and confidential grievance mechanisms partnered with appropriate remediation procedures (refer to *Grievance management and remediation* section on pages 30–34 for further information).

Team member engagement

- Mechanisms implemented to regularly seek feedback from team members across the business, including through engagement surveys. These surveys offer team members the opportunity to communicate anonymously with leaders of the business, offer suggestions or ideas, and provide feedback on what is working well and where the opportunities lie across the business.

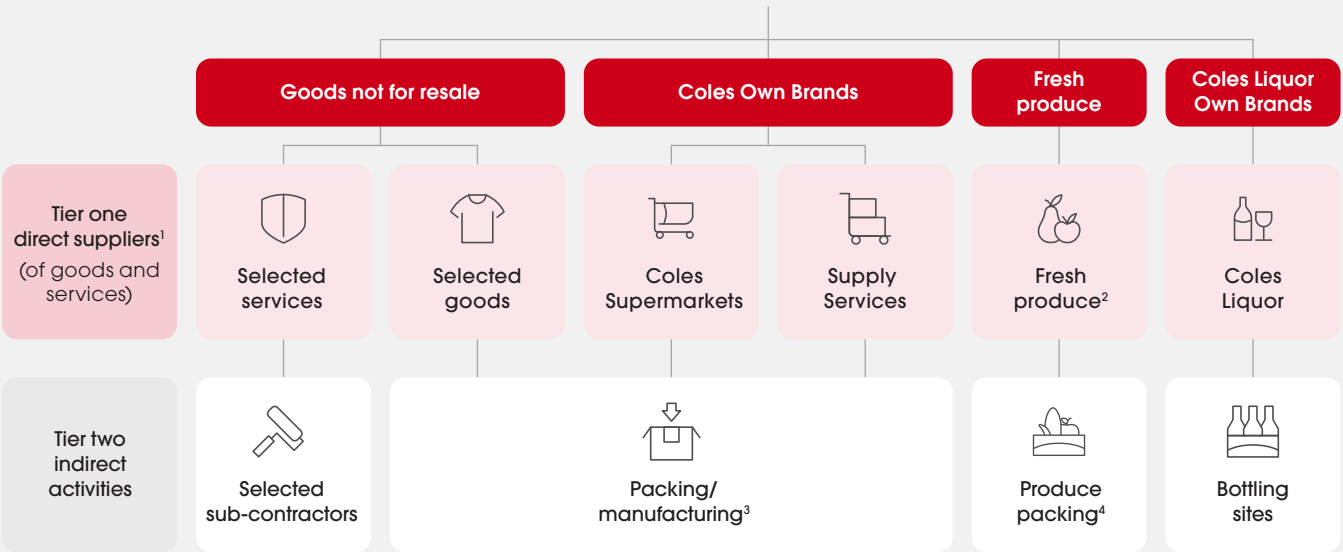
In addition, our Risk Standard is regularly reviewed. This helps ensure we monitor changes in risk and establish controls and activities required for ongoing improvements, including in relation to our team members.

Managing risks in our supply chain

Our primary tool to address modern slavery risks is our Ethical Sourcing Program.

While compliance with our Ethical Sourcing Policy is a condition of trade for direct suppliers (unless an approved alternative is in place) and is embedded in supplier contracts, we apply enhanced due diligence to higher-risk categories through our Ethical Sourcing Program. This covers both goods for resale (GFR) and goods not for resale (GNFR), including service providers, as outlined below.

Our Ethical Sourcing Program scope



1,850

Tier one and two suppliers in scope of the Ethical Sourcing Program.

1,800

Suppliers risk assessed under the program. Over 18%⁵ are assessed as high risk.

1,281

Ethical audits conducted by in-scope suppliers. Over 900 of in-scope risk assessed suppliers conducted an audit in FY25.

10

Suppliers suspended or contracts exited for non-compliance.

Resources allocated to implementing the Ethical Sourcing Program

Coles Chief Legal & Safety Officer and **Head of Employee Relations and Ethical Sourcing** oversee the Ethical Sourcing Program.

12 team members included in the Ethical Sourcing team, including **1** certified social compliance auditor. The Employee Relations team support the Ethical Sourcing team on complex audit findings in our supply chain related to labour management and employment practices.

Two contractors – one supporting offshore supplier sites in China, India, Malaysia and Thailand, and one in Australia supporting local and European sites.

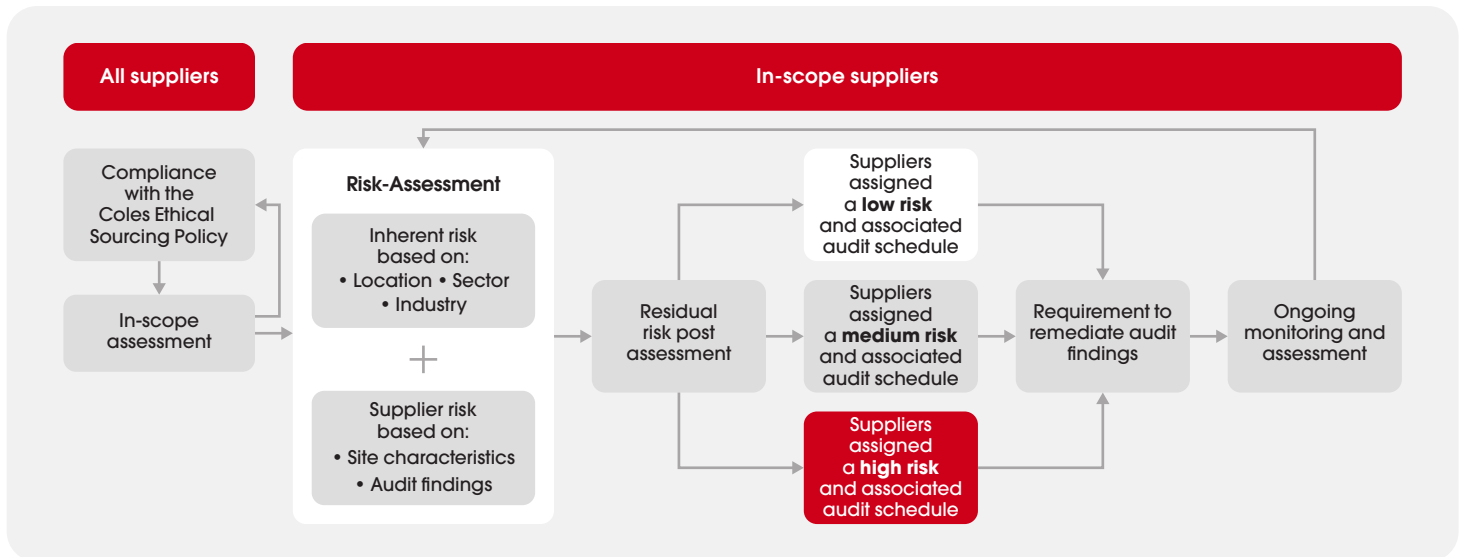
Commercial, Procurement and other business unit teams support our Ethical Sourcing Program execution, communicating supplier requirements, and being a point of escalation where requirements are not met.

1. Tier one suppliers are those we have a direct contractual relationship with. These can include agents, manufacturers or service providers. In some cases, manufacturers can also be tier two suppliers if they supply us through an agent. — 2. Fresh produce means unprocessed fruit, vegetables, and flowers, and includes Coles Own Brands as well as proprietary brands. — 3. Packing/manufacturing refers to sites that manufacture or pack Coles Own Brand products into their final retail form. — 4. Produce packing includes packing sheds, as well as farms that pack produce on site. In cases where the farm harvest produce then send to a packhouse, only the packhouse and supplier of final products are in scope of the Ethical Sourcing Program. — 5. The over 18% excludes the GNFR services suppliers not managed through Sedex.

Due diligence to manage modern slavery risks continued

How our Ethical Sourcing Program works

Suppliers in scope of our Ethical Sourcing Program are assessed and managed based on risk. Sedex or Fair Farms is used for in-scope GFR and GNFR product suppliers and services suppliers are assessed via our Third-Party Risk Management (TPRM) approach with direct engagement. Audit frequency depends on risk classification.



Our audit program

Ethical audits are part of our suite of approaches to identify and address modern slavery risks, using document reviews, site tours and confidential worker interviews. Audits are arranged by suppliers or commissioned and funded by Coles under our Third-Party Audit Program (3PAP) and conducted by Association of Professional Social Compliance Auditors (APSCA) certified auditors. Since FY22, our 3PAP program enabled more fresh produce sites in Australia to undergo audits, with FY25 3PAP efforts focused on deepening our review on worker accommodation (through auditor site visits to review rent, take home wages and minimum living standards). Additionally, we focused our efforts on understanding more about labour hire providers in our Australian supply chains based on audit findings (licensing and non-conformances related to labour hire).

Audits have been publicly criticised for being ineffective where issues may be hidden and worker concerns may not surface. These are challenges we continue to work through, including as part of the development of our services audit methodology and our unannounced audit program in high-risk sourcing countries that we commenced this year (refer to case study on page 43).

Notwithstanding, ethical audits can be a valuable tool to assess point in time supplier practices and address identified non-conformances, when implemented as part of broader human rights due diligence.

We recognise that audit programs can be more effective when the audit process is:

- treated as opportunities for improvement, rather than viewed as pass/fail evaluations
- includes meaningful follow up to monitor how non-conformances are addressed and actions put in place to prevent recurrence
- implemented in parallel with other activities such as effective grievance mechanisms.

Refining our services audit methodology

Traditional audit methodologies typically focus on assessing specific sites such as factories or farms, rather than assessing service providers who may work across multiple locations. As outlined in previous statements, we initiated the development of a services audit methodology to support the lack of robust and scalable ethical sourcing assessments for service providers.

In FY25, we further refined our audit methodology through more pilot audits across Australian service categories, including specialised cleaning and trolley collection.

These pilots highlighted critical areas for improvement, including on subcontractor oversight where our pilot audit failed to detect underpayment allegations involving a Coles subcontractor. This oversight was likely linked to the absence of worker interviews in the audit process, which limited the identification of non-conformances at the individual worker level. Worker interviews were not included in the pilot testing due to the dispersed nature of service delivery across Australia. While virtual interviews were trialled, privacy and data quality concerns led us to re-evaluate this approach. We remain committed to explore effective methods to capture worker voice as part of the services audit process and better assess suppliers' capabilities to manage ethical sourcing risks, particularly with subcontracted arrangements. As we continue to utilise high-risk service categories in Australia that require ongoing monitoring, we will keep refining our services audit, with insights shared with Sedex to support their development of an international services audit standard that also reflects the complexities of the Australian services sector.

Ethical audit findings and trends

We monitor our audit data to analyse findings and trends.

1,281

Audits in FY25

>50%

In-scope risk assessed suppliers conducted an audit in FY25 (out of 1,800)

19

Unannounced audits in FY25

316

Semi-announced audits in FY25

In-scope audits in FY25

691
Australia

590
Overseas

Non-conformances identified in FY25

22

Business critical

1,154

Critical

4,616

Major

4,373

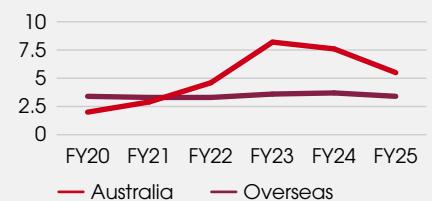
Non-conformances remediated by end FY25

Top 5 issue categories

FY25

	FY25	FY24
Health and safety	50.4%	Health and safety 54.3%
Working hours	10.3%	Regular employment 9.8%
Wages	9.4%	Working hours 9.3%
Regular employment	6.9%	Wages 9.1%
Entitlement to work	4.9%	Management systems 3.8%

Average number of non-conformances per audit



Overall, since FY23 the average non-conformances per audit are decreasing. The peak in FY23 for audits in Australia could be attributed to sites completing first-time audits, auditor capability uplift and the Coles 3PAP program. The decrease may be an indicator of suppliers' growing preparedness for social compliance audits and maturing management processes. Additionally, the number of suppliers undergoing audits for the first time is reducing year on year.

Despite fewer non-conformances, we still identify instances where payslips are not accurate.

Most instances are identified in Australia, where there are regulatory requirements for employers to follow. While our findings have not included other modern slavery indicators, we recognise failure to provide appropriate payslips may increase workers' vulnerability, by making it more difficult for them to verify the conditions of their employment. It is important that workers access payslips that clearly outline their hours of work, rates of pay, and lawful deductions.

The health and safety category has the most findings year on year.

While not an immediate precursor to modern slavery, the lack of health and safety procedures and protections can indicate greater risk of harm to workers. This category has the most sub-categories within Coles' approved audit scheme, which could contribute to the concentration of non-conformances. Common issues in FY25 included fire safety findings related to functional smoke detectors and fire alarms, and inadequate communication of evacuation plans. For many businesses, these are legal obligations and should form part of site management.

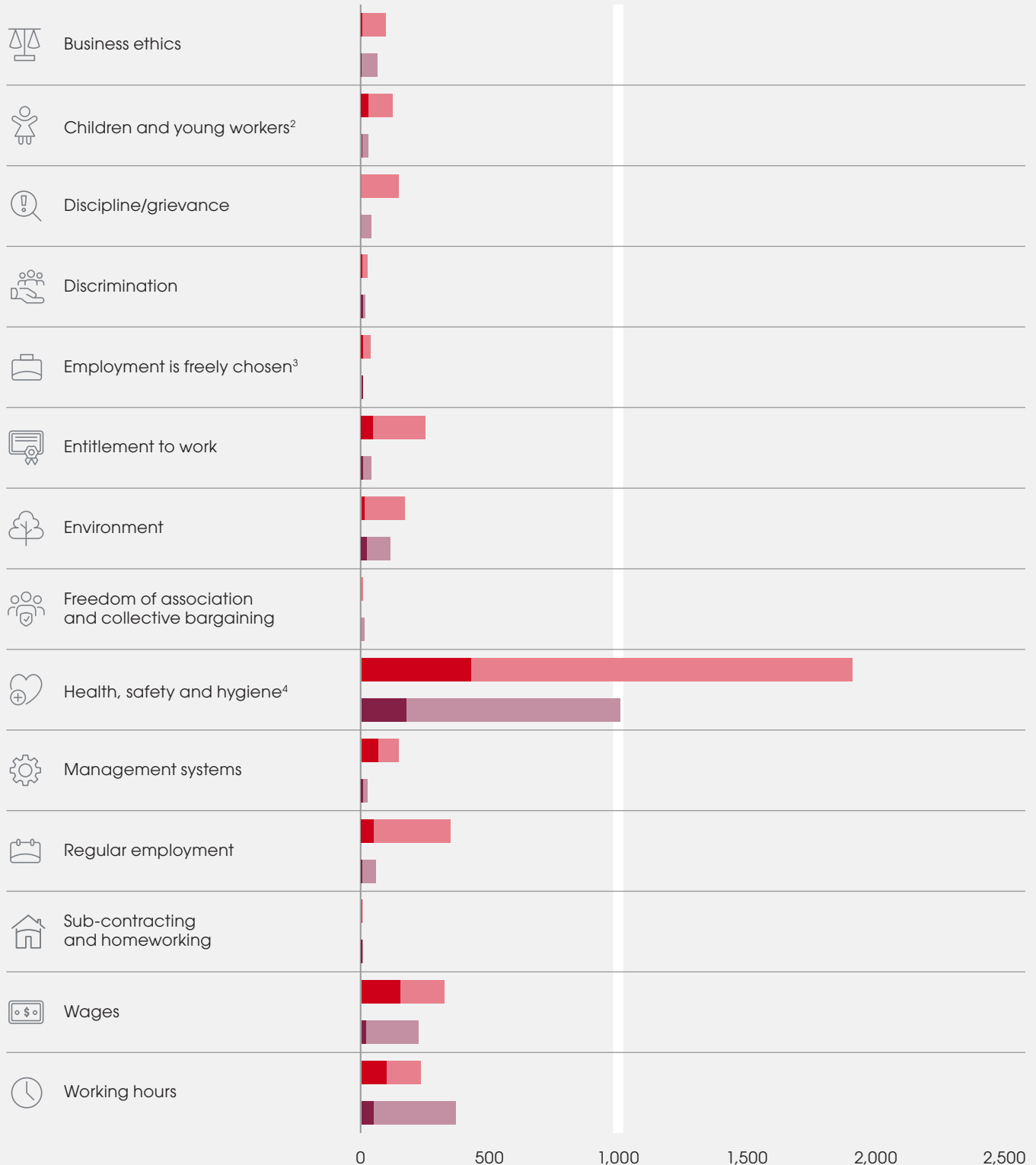
Working hour findings form a significant portion of our audit non-conformances.

We engage with suppliers to reduce excessive working hours through implementing our Working Hours Framework¹. We recognise excessive working hours may indicate a risk of modern slavery if associated with other modern slavery indicators. To date, these identified non-conformances have not related to modern slavery.

We monitor a significant volume of suppliers, thus robust data governance and systems are essential for effective due diligence. In FY25, we also invested in upgrading our reporting capabilities, enhancing dashboard visualisation, system functionality, and data accuracy. These enhancements aim to provide relevant internal teams with timely, reliable insights into supplier performance, to enable informed engagement and action to track compliance against our Ethical Sourcing Program Requirements. We also delivered refresher training to internal teams to improve platform usage and data interpretation.

As third-party social compliance audit schemes evolve, these changes have a flow-on impact on suppliers as they invest resources in audit preparation and remediation. We plan to review and take a more strategic approach to supplier assessments, by better targeting non-conformances that signal potential exploitation. This will support focus on the issues and drive meaningful improvements.

¹ Our Working Hours Framework is approved by the Board and details the requirements for managing working hour non-conformances in our supply chain relevant to different scenarios.

Due diligence to manage modern slavery risks continued**FY25 Supplier audit non-conformances identified¹****Australian suppliers**
(3,804 non-conformances identified)

● Critical⁵ ● Major

Overseas suppliers
(1,988 non-conformances identified)

● Critical⁵ ● Major

1. A non-conformance is recorded by the auditor if the site does not meet the requirements of the relevant legislation (local, national or international), the applicable code (e.g. Ethical Trading Initiative Base Code for Sedex ethical audits), or relevant standards (e.g. Fair Farms Standard for suppliers managed under Fair Farms). — 2. This includes 6 subcategories including policies and record-keeping, minimum age, and children and young workers working in hazardous conditions. In FY25, we had 150 non-conformances relating to the category of children and young workers (over 81% of these were in Australia). None of these related to modern slavery in our supply chain – but related mainly to the lack of worker age verification processes. — 3. This includes 10 subcategories including recruitment fees, freedom of movement, forced labour and debt bondage. In FY25, we had 40 non-conformances relating to the category of employment is freely chosen. None of these constituted modern slavery in our supply chain – but related mainly to management systems, inadequate policies or recruitment fees such as document renewal fees, migration agency fees or deduction from wages. — 4. This includes over 15 subcategories, including relating to fire safety, chemicals, health and safety management, electrical aspects and machinery. — 5. Australia critical non-conformances include 15 business critical non-conformances, and overseas critical non-conformances include 7 business critical non-conformances.

Other actions to assess and address risks

In addition to audits, suppliers visits and investigations, we verify compliance with our Ethical Sourcing Policy through other activities including:

Worker voice

Feedback from workers and unions helps us understand risks on the ground. We continue to conduct worker education events to engage directly with workers in our Australian agriculture supply chain (refer to case study on page 46). In FY25, we trialled inclusion of worker sentiment surveys during unannounced audits. We continue to monitor the worker voice landscape.

Monitoring of public reports

We review external information including media and other public reports to identify potential risks areas and engage with relevant internal teams. For example, external stakeholders and media reports in FY25 have highlighted modern slavery risks faced by temporary migrant workers in the Australian horticulture sector. We recognise these risks and that they can be closely associated with other human rights issues such as substandard accommodation and lack of access to healthcare. In FY25, we took key actions relating to our Australian horticulture supply chain including – developing and publishing an Accommodation Standard (refer to page 41), continuing our worker education events (refer to page 46) and responding to concerns around supplier practices identified through audits and our grievance mechanism channels (refer to *Grievance management and remediation* section on pages 30–34). A number of these investigations related to temporary migrant workers. Looking ahead, we remain committed to monitor, engage and support to address these critical issues.

Working towards a living wage in our international supply chains for high-risk countries

A living wage is the minimum income required for a worker to afford a decent standard of living for themselves and their families, covering essential costs such as food, housing, healthcare and education.

While we may not directly set the wages of the workers in our supply chain, our purchasing practices, including pricing, lead time and order volume, can support our suppliers’ ability to pay fair wages.

In line with our commitment in our Human Rights Strategy and previous Modern Slavery Statement, we have partnered with an external sustainability advisory group to commence developing our multi-year living wage framework, including an income adequacy assessment in high-risk countries.

To support this work, we conducted a pilot survey using the Ethical Trading Initiative’s (ETI) Common Framework for Responsible Purchasing in Food to assess our current practices and identify opportunities for improvement.

Two grocery suppliers in Thailand – one canned seafood producer and one snack food manufacturer – participated in the pilot living wage gap analysis. These were selected due to the labour-intensive nature of their operations, which rely heavily on low skilled manual labour, presenting a higher risk of inadequate wages. A living wage calculation tool was shared with these suppliers to collect data on wages, compensation, benefits, and workforce trends.

We will continue to engage with our two suppliers to analyse the data and benchmark wages against regional living wage estimates to determine next steps for the pilot and inform the development of our living wage framework.

Key reflection

As part of this pilot, we will seek to further explore how workforce conditions, particularly wages and labour standards, are factored into pricing structures and contract negotiations within our supply chain. This will help identify opportunities for integrating living wage principles into our purchasing practices.



Grievance management and remediation

We are committed to providing effective, trusted, and accessible grievance mechanisms to manage concerns that may impact workers in our direct operations and extended supply chains.

Details of human rights related supplier grievances

Total number of grievances received

17

Number of grievances involving alleged inadequate accommodation standards

6

Number of grievances against suppliers involving alleged underpayments

9

Source of grievances

- 4 Worker unions
- 0 STOPline
- 5 Internal team members
- 4 Direct contact to Coles
- 4 Audits¹

1. Additional concerns raised by auditors following an audit. This can include concerns raised by workers through the audit firm's own grievance mechanisms or during the worker interviews conducted as part of the audit.

Effective grievance mechanisms rely on multiple accessible and responsive channels, demonstrating that concerns are taken seriously, investigated thoroughly, and resolved appropriately. Coles offers several avenues for raising concerns, including independent third-party and internal avenues (refer to page 31 for more information).

It is essential that individuals who raise grievances know their concerns are acknowledged and acted upon.

We investigate issues and address the relevant ones, maintaining open communication to keep the individual informed of progress and outcomes.

We support our suppliers to share this commitment by providing trusted, effective grievance mechanisms for their workers to raise concerns about working and employment conditions within their operations and supply chains.

Managing grievances

Human rights related grievances raised are managed and investigated by the Ethical Sourcing team, and, when necessary, an independent third party will be used to support our investigation process. Concerns are assessed through our Investigation Protocol or Modern Slavery Incident Protocol, depending on severity.

In FY25, 17 grievances were investigated regarding alleged breaches to the Ethical Sourcing Policy and our Ethical Sourcing Program, with 53% raised directly to our team.

Twelve investigations are now closed and five remain ongoing. Allegations such as underpayment, inadequate accommodation, deceptive recruitment, bullying, harassment, poor working conditions, and unreasonable deductions were reported across various areas of our supply chain, including fresh produce, health and home, and services (refer to Appendix 2 for details).

Grievances raised directly to the Ethical Sourcing team increased this year. Contributing factors may include stronger stakeholder relationships and greater engagement with supply chain workers. Through this outreach, workers are informed that investigations follow a person-centred approach, tailored to their needs.

As part of a review of third-party grievance mechanisms in FY25, materials such as posters and business cards were not actively distributed, as we focused on redesigning the mechanism. This may have contributed to no allegations being made via the STOPline channel. Moving forward, suppliers will be encouraged to display updated posters, and business cards will be shared during worker engagements. We will continue to monitor how the STOPline channel is being used to report labour rights matters within our extended supply chain.

Continuous improvement

Following our FY24 review of our grievance tools, aligned with the expectations of the United Nations Guiding Principles on Business and Human Rights (UNGPs), we consulted key stakeholders about Coles' grievance mechanism tools – this included suppliers, supply chain workers, internal teams, unions, and industry specialists. This engagement informed the final design of the Ethical Sourcing STOPline grievance mechanism.

The changes made following stakeholder engagement included:

- alignment to a single third-party grievance mechanism
- separate QR code for human rights grievances to make it easier for workers to raise concerns
- development of a visual poster with more pictures to improve accessibility to workers with limited English proficiency
- creation of formal Investigation Protocol so there is a documented process to follow to ensure adequate steps are being taken for each grievance raised.

Safe to speak up

For all workers in our supply chain, if you have any problems at work, you can speak with someone in a confidential and anonymous manner.



Incorrect pay



Bullied, abused or treated badly



High working hours



Poor accommodation

You can contact STOPline 24 hours a day 7 days a week Multiple languages available

1300 304 550
coles@stopline.com.au



Make a report via the QR code



Our approach to grievance management

Grievance reported to Coles

1

STOPline

Coles STOPline is a confidential service run by an independent third party. STOPline will refer matters to Coles for investigation but if anonymity has been requested, they will not share personal details with Coles.

Open to:

All stakeholders within Coles' direct operations and extended supply chain including Coles team members, suppliers, workers, contractors, and other affected stakeholders (including community members).

Availability:

24 hours a day, 7 days a week via QR code, 1300 304 550 or coles@stoline.com.au

Protected disclosures

A number of persons are able to receive protected disclosures under our Whistleblower Policy. This includes nominated Protected Disclosure Officers and officers such as a director or secretary, or senior managers of the Coles Group.

Open to:

Anyone covered by the Coles Whistleblower Policy.

Availability:

Direct contact to a Protected Disclosure Officer via the contact details located in the Whistleblower Policy or an officer such as a director or secretary, or senior manager of Coles Group.

Direct to the Ethical Sourcing team

Individuals including Coles team members can directly contact the Ethical Sourcing team (or via an internal team member).

Open to:

All workers within our extended supply chain.

Audits

Ethical audits assess modern slavery risks in a range of ways, including through document reviews, site tours and private and confidential worker interviews. Worker interviews in particular provide an opportunity for individuals to raise their concerns in a confidential manner.

Open to:

Workers at audited tier one and tier two suppliers.

Third parties

Grievances are also submitted to Coles through trusted third parties, including unions, relevant government-associated organisations and NGOs. These parties play a vital role as they are 'on the ground' advocates for workers.

Open to:

All workers within our extended supply chain who contact the applicable third-party.

2

Investigation

We assess and investigate grievances and aim to promote their timely resolution. We also strive to update the grievance raiser throughout the grievance process. If dissatisfied with the outcome, the grievance raiser may refer the issue to the relevant National Contact Point.¹

1. The Australian National Contact Point is responsible for promoting the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Their complaints mechanism provides a forum for parties to work together to resolve issues (however it is not a legal process).

Each investigation presents unique challenges, regardless of the allegation. Investigations are intricate, non-linear and time-consuming, requiring resources, adaptable strategies, technical expertise and consideration for all involved. However, the common goal is to uncover facts fairly and present findings clearly to support informed decision-making. The investigation phase is just one part of the process; when specific non-compliant outcomes are identified, follow-up and remediation may be necessary and often require additional time and resources to address effectively.

3

Remediation

When non-conformances are identified, we determine an approach to remedy in line with the UNGPs, including our identified level of involvement. Coles may provide for, or cooperate in, remediation itself or in collaboration with third parties. We are committed to protecting the rights of those making reports, including maintaining anonymity if requested and taking reasonable steps to minimise harm.

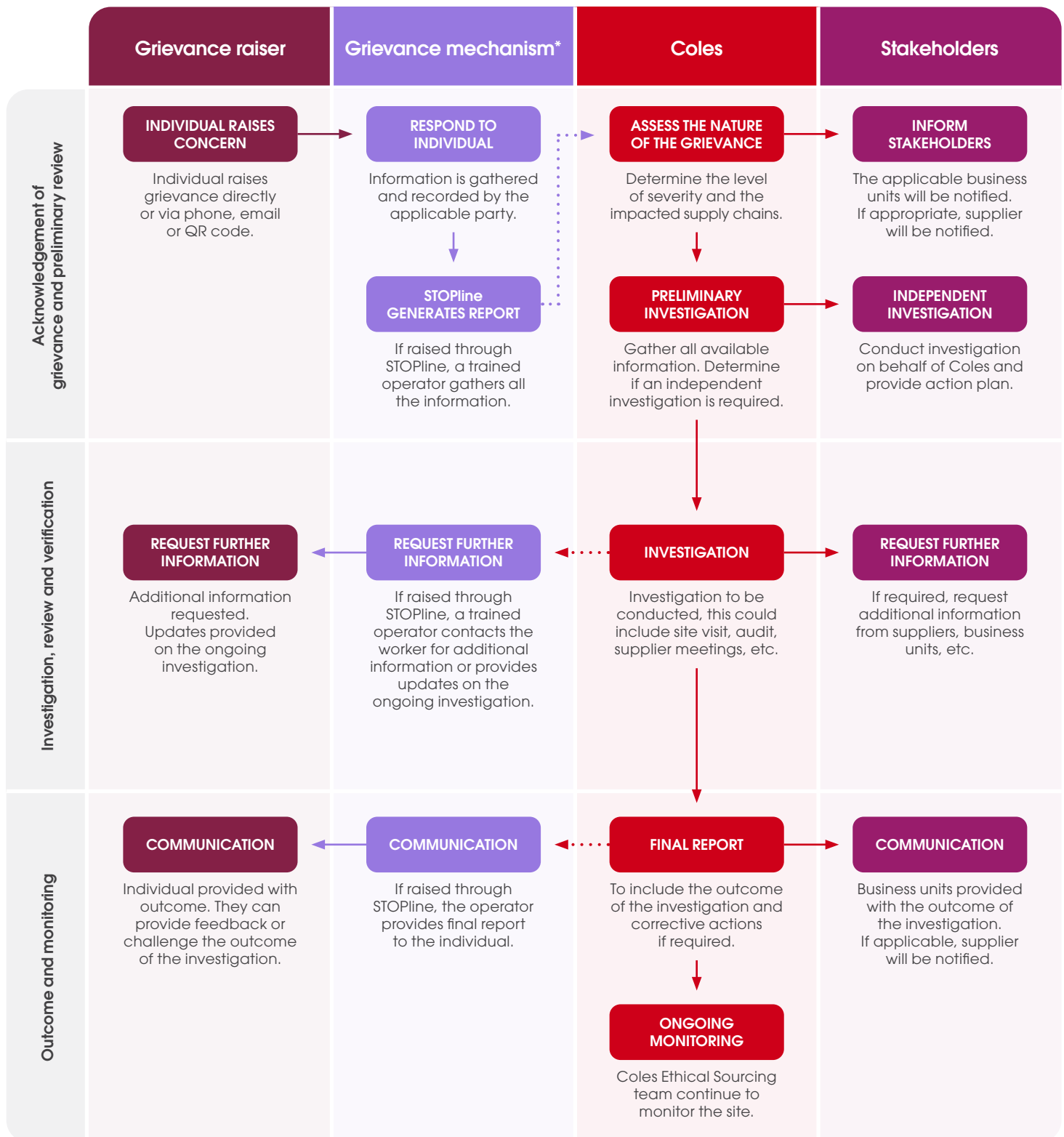
When applicable, a corrective action plan with a timeline and monitoring plan is assigned to the applicable party, including the person responsible, to enable issues identified to be remediated. In some cases, a third party may support with monitoring. We aim to prioritise the affected person's needs, with remedies determined on a case-by-case basis.

Where we identify we have not caused or contributed to an incident of human rights harm, such as modern slavery associated with our suppliers, we seek to work with them so that an effective remedy is provided in alignment with the UNGPs and our standards, including:

- Coles Ethical Sourcing – Child Labour Remediation Requirements
- Coles Ethical Sourcing – Forced/Bonded Labour Remediation Requirements
- Coles Ethical Sourcing – Wages and Benefits Remediation Requirements – Australia

In these instances, we consult affected individuals or their representatives to help ensure the assistance provided meets their needs and are also open to collaborating with judicial and non-judicial grievance mechanisms, including the relevant National Contact Point.

If no outcome is reached within a reasonable timeframe, and the investigation is conducted thoroughly with all options exhausted, Coles may exercise its rights under the relevant agreement – which may include suspension of orders or termination if compliance with our Ethical Sourcing Policy and Ethical Sourcing Program Requirements are not rectified.

Grievance management and remediation continued

* Grievance channels as outlined on page 31.

... Dotted arrow – indicates steps involving STOPline (if not dotted it would be directly to the individual)

Governance of the process

Strong governance processes are essential to building an effective grievance mechanism. Internally, grievances are reported quarterly to the Board, ensuring visibility on matters raised. Externally, we report grievances on our website and in our annual Modern Slavery Statement. The privacy and confidentiality of individuals and suppliers involved are respected through the process. Our procedures and processes, including the Whistleblower Policy, are based on international best practice; specifically, the UNGPs.

Navigating complexity in managing grievances

We take a proactive approach to investigating and, where appropriate, supporting the remediation of ethical sourcing related grievances raised with us.

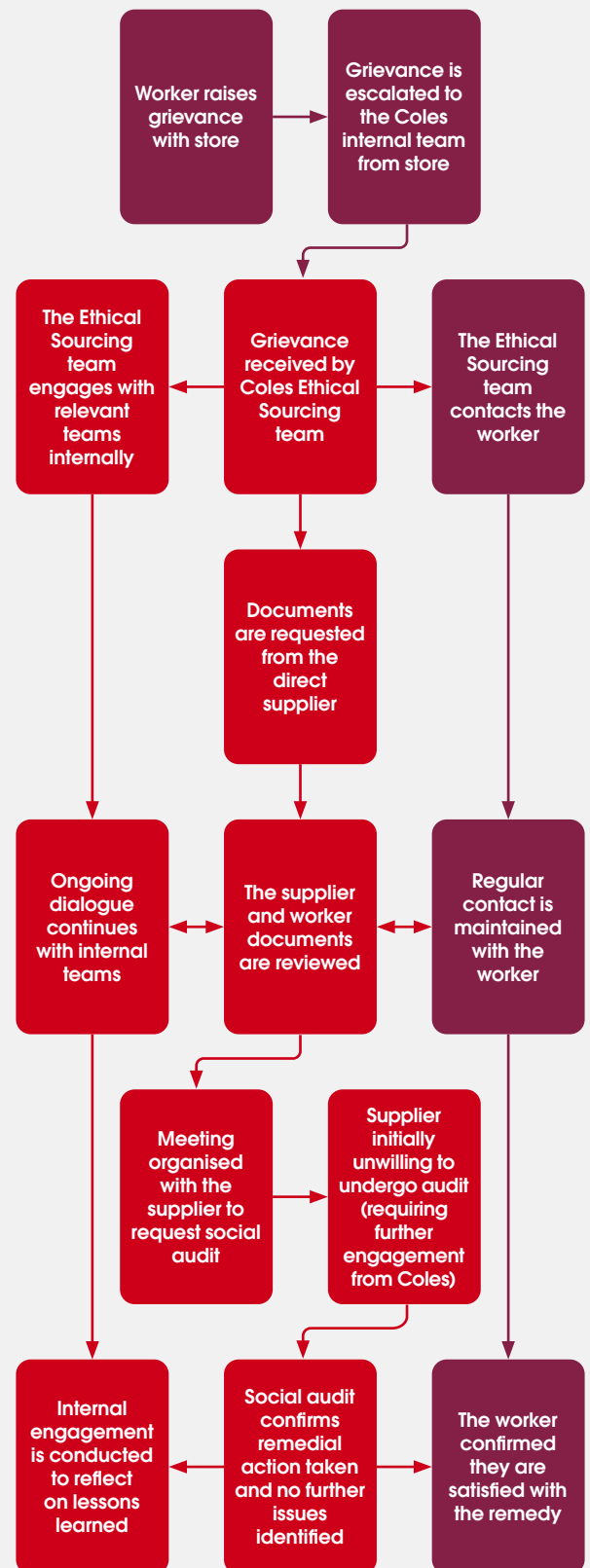
Investigation and remediation processes can be resource intensive and may not follow a linear pathway. The diagram on the right shows the process we followed to address a grievance relating to the reported underpayment of two workers in Australia by a subcontracted services provider (the provider). While this matter did not involve modern slavery, it shows the types of actions and steps that could be involved in addressing a modern slavery allegation.

In this instance, the provider was engaged by a direct supplier to us to support the provision of certain services in a regional area. The grievance was initially raised with us through one of the affected workers (the worker) approaching a Coles team member onsite. The resulting investigation involved ongoing communication with the worker, internal engagement with relevant business units and engagement with the direct supplier, including through a social audit.

As a team, we took the time to review and reflect on our response to the above grievance. Below are the key insights that can support to improve our approach to managing future human right related grievances. These include:

- The importance of informal grievance channels.**
 The potential for grievances to be raised by suppliers' workers informally with our team members rather than through formal grievance channels. This underscores the importance of relevant staff on site understanding how to identify and internally escalate grievances.
- Challenges linked with remote locations in Australia.**
 There are possible limitations for grievance raisers to access support services in regional areas of Australia. While not required in this matter, the workers' regional location could have made it more difficult for them to access specialist support providers, particularly those offering financial or accommodation assistance. In addition, as a supermarket business we have an extensive store footprint across Australia. Where our service providers may experience challenges directly recruiting staff locally, they may choose to rely on subcontractors. This use of subcontractors can reduce our visibility of workers' recruitment and conditions.
- Understanding the root causes for grievances.**
 In some cases, our direct suppliers may prioritise focusing on remediating a specific complaint to avoid potential commercial impacts rather than also working with us to consider possible root causes and prevent recurrence. These situations prompt us to reinforce consistent messaging to both suppliers and internal teams on the importance of addressing root causes and implementing long-term solutions – rather than relying on short-term fixes that may not prevent recurrence.

These reflections will enable a more proactive, informed, and impactful approach to grievance management.



Grievance management and remediation continued

Our approach to remediation

In a human rights context, remediation refers to ‘making good’ the harm experienced by a rightsholder, such as an exploited worker. Remediation includes financial compensation, non-financial support, and preventing harm from reoccurring by addressing root causes.

In line with the UNGPs: If we identify that we have caused or contributed to human rights harm, we are committed to providing for, or cooperating in, remediation. If we identify we are directly linked to harm, we recognise we may also choose to play a role in remediation.

Collaboration: We work closely with our suppliers and other stakeholders to address identified harm. Investigating and remediating labour rights harms such as modern slavery can be resource intensive and require consideration of complex issues as illustrated through the case study on page 33.

Addressing audit non-conformances: We invest significant resources in remediating issues identified through ethical audits. This includes weekly monitoring of audits, supplier engagement and collaboration with commercial teams. The case study on this page illustrates our response to recruitment fees identified in our supply chain.

Where non-conformances are not resolved within timelines agreed with the auditor or other requirements, we follow a documented escalation process involving cross-functional teams and we may grant a time-bound derogation approved by senior management supported by evidence of mitigation plans and corrective actions undertaken. By actively monitoring and supporting the closure of non-conformances, we help support safer working conditions or restitution for affected workers, making this work a critical component of our remediation approach.

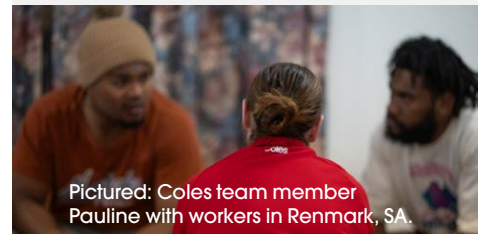
Communicating expectations:

We seek to provide clarity to suppliers on our remediation expectations, including setting standards for remediating specific issues such as:

- **Wages and Benefits (Australia):** Requires third-party investigation, timely repayment to affected workers, and preventive measures including having wage records and overseeing labour hire providers.
- **Child Labour:** Focuses on the child’s safety and best interests, including implementing a remediation plan and strengthening age verification systems to prevent recurrence.
- **Forced/Bonded Labour:** Covers remediation of issues such as recruitment fees, withheld identity documents, or involuntary work.

Reflection: Remediation efforts can have challenges, particularly with assessing their effectiveness. For example, when engaging with suppliers regarding back payment of wages linked to the labour hire firms they utilise, it can be difficult to determine whether workers may later face retaliation or whether poor practices persist in another workplace the labour hire provider deploys them to. Another complexity relates to responsibly exiting a supplier relationship after exhausting reasonable remediation avenues. We recognise that disengagement can potentially leave workers in a more vulnerable position without remedy. This remains an area of ongoing learning, and we are committed to continually strengthening our approach to both remediation and responsible exit.

Identifying recruitment fees in our supply chain



Pictured: Coles team member Pauline with workers in Renmark, SA.

During worker interviews conducted as part of a third-party ethical audit, it was identified that a migrant worker had paid a fee associated with recruitment that was not initially identified by the supplier due to the contract terms.

The fee amounted to approximately one month’s wages paid in instalments.

The Australian-based supplier employs a small number of migrant workers and has a recruitment and selection policy in place. However, recruitment fees can be complex due to fee structures and payments that may be required to go to multiple parties.

The supplier had intended to cover recruitment fees and had paid all other associated fees directly to the agency. However, through the audit process, the further fee was identified. This resulted in the supplier covering the full cost, including reimbursing the worker for amounts already paid. The supplier also paid the fees for another migrant worker who had not yet commenced work. This was subsequently verified by the auditor through follow-up audit.

Preventing modern slavery from occurring

Our efforts to prevent modern slavery are underpinned by strong governance and a commitment to continuous learning. By analysing insights from our due diligence activities – particularly where modern slavery risks are most likely to emerge – we aim to implement targeted processes to help reduce these risks across our operations.

We recognise that even well-intentioned interventions can sometimes lead to unintended consequences, including the emergence of new or different modern slavery risks. For example, to reduce risks in our own operations, we directly employ workers involved in trolley collection.

However, there are some areas that rely on ad hoc third-party trolley collection services providers to cover labour gaps in our workforce, which can put last-minute pressure on our suppliers.

This underscores the importance of remaining vigilant and reflective. We monitor the outcomes of our actions to assess if they are effective and, where necessary, adapt our approach to course-correct and mitigate new risks that may arise.

Policies and procedures

As part of our governance approach, we have a suite of policies and frameworks that guide our actions and support accountability. Below is a summary of these documents and how they support our modern slavery response.



For further information on our publicly available policies refer to colesgroup.com.au

Document title	Relevance to modern slavery	How we implement it
Human Rights Strategy	Outlines our commitment to respecting human rights, including our strategic ambition areas, salient human rights issues and our pathway to achieving our commitments.	Each ambition area has internal plans and targets to support achieving our goals by the end of FY27. Progress is reported through our Human Rights Steering Committee. In FY25, an online training module was developed to support team member understanding of the strategy’s principles (refer to <i>Training and supplier capacity building</i> section on pages 37–38).
Ethical Sourcing Policy/Ethical Sourcing Program Requirements	Our Ethical Sourcing Policy, together with our Ethical Sourcing Program Requirements, set out our expectations relating to human rights, encompassing labour standards, health and safety, modern slavery, anti-bribery and corruption, and the environment. It is aligned with international human rights frameworks and standards. We regularly review and update our policy so that it remains current and operates effectively.	Compliance with the policy is a condition of trade for direct suppliers (unless an approved alternative is in place) and this is included in the terms and conditions of supplier contracts. We also request our direct suppliers to include similar requirements in their own supply relationships. We monitor compliance with the policy through our Ethical Sourcing Program. In FY25, we updated the policy to further support operational application across broader human rights issues and specific areas such as prevention of child labour and subcontracting.
Group Risk Policy/Risk Standard	Details our commitment and requirements for effective risk management. It is supported by our Risk Standard, which includes the requirements for identifying, analysing, evaluating, addressing and reporting risks.	Ethical sourcing risks are managed as a priority in accordance with this policy and standard (refer to <i>Our governance</i> section on pages 9–10). This means we implement controls (such as our Ethical Sourcing Program), monitor our mitigation activities and track performance of the Ethical Sourcing Program through key risk indicators.
GNFR Third Party Management Policy/Risk and Contract Management Standards	Sets out our commitment for effectively managing our GNFR third-party engagements and outlines requirements during sourcing, approval and management of contracts including risk identification and mitigation. It is supported by our Risk and Contract Management Standards which set out the risk management requirements for GNFR third parties.	We implement these through our TPRM process, which includes supplier risk assessment questionnaires and additional due diligence through our Ethical Sourcing Program where required. In FY25, we commenced updating our Third-Party Risk Management (TPRM) risk assessment questionnaires to better capture risks in our GNFR supply chains.
Code of Conduct	Sets out the standard of behaviour for our leaders, team members, and contractors, including compliance with legal obligations and ethical standards. It also includes our commitment to respecting human rights.	All team members are required to read the Code on commencement of employment and acknowledge that they have read it. Responsibilities are reiterated in other policies and training programs, and material breaches are reported to our Audit and Risk Committee.

Preventing modern slavery from occurring continued

Document title	Relevance to modern slavery	How we implement it
Working Rights Policy	Sets out the requirements for ensuring team members are legally permitted to work in our business, including compliance with relevant visa conditions.	The requirements are embedded into our processes for recruitment, onboarding, and ongoing monitoring through employment. Guidance is also available for line managers on our internal website.
Remuneration Policy	Sets out our remuneration principles for employees, as part of our commitment to fair and equitable remuneration outcomes across reward programs and practices.	It outlines our principles for the remuneration process and practices including compliance with relevant laws.
Ethical Sourcing Remediation Framework	The framework sets out the core principles we adhere to, and expect our suppliers to adhere to, for providing effective remediation of human rights and ethical sourcing issues.	The requirements in the framework are reiterated in relevant policies and training sessions. The framework also includes detailed guidance.
Whistleblower Policy	Outlines our process for receiving and managing allegations of potential misconduct, including suspected or actual unethical, illegal, corrupt or fraudulent conduct, as well as potential breaches of the Code of Conduct. This can include complaints relating to modern slavery.	The policy is also communicated to team members through the Code of Conduct. Posters promoting the Whistleblower Hotline (STOPline) are displayed in our retail and distribution centre sites to promote awareness.
Immediate Reporting Policy	Sets out the key incidents which require immediate reporting in our business and includes the process for immediately communicating these to senior management, the Executive Leadership Team and the Board.	The principles of the policy must be incorporated into business unit policies or procedures (as applicable). Our Modern Slavery Incident Protocol (refer to <i>Grievance management and remediation</i> section on page 30) requires the Board to be notified of any modern slavery incidents in accordance with this policy.

In addition to the policies summarised on pages 35–36, we have programs of work that support the prevention of modern slavery risks.

Program of work	How this supports to prevent risks of modern slavery
Internal standards and guidelines such as our Working Hours Framework	Helps reduce the risk of exploitation in our supply chain by guiding how we engage with our suppliers to reduce excessive working hours and implement corrective action plans.
Ethical sourcing due diligence and compliance checks as part of supplier onboarding	Sets our expectations on human rights for new engagements and supports early identification of potential risks, so these can be mitigated, addressed or avoided.
Worker education events for migrant workers in our Australian agriculture supply chain	Promotes awareness of rights and grievance mechanisms and aims to empower migrant workers in our supply chain to seek assistance if there is an issue. It also allows us to gain insights on the ground to better understand worker challenges and help identify actions to manage risk areas.
Analysing insights from due diligence activities, supplier ethical audits and grievances or complaints received	Identifying where common trends or issues occur, supports us to better identify where potential risks may lie. It also supports continuous improvement in our supply chain, as we use this information to target our training programs.
Raising awareness on modern slavery risks and broader human rights topics through internal team training, supplier training and capacity building programs for selected suppliers	Builds understanding and capacity to support continuous improvement in ethical sourcing practices and reduce exposure to modern slavery risks.

Training and supplier capability building

Suppliers and team members play a major role in helping us identify and prevent modern slavery risks in our supply chain.

Our role is to enable suppliers and team members to understand, improve and implement necessary actions to strengthen their processes in line with the expectations set out in our Ethical Sourcing Policy and Program. Our training program has been designed to support in addressing the gaps identified through program operationalisation.

Coles' learning opportunities

During the reporting period, we hosted a range of learning opportunities for team members, auditors and tier one and two suppliers. We monitor and assess the effectiveness of training sessions through participant engagement and feedback surveys. Training opportunities included:

Introduction to ethical sourcing Completed by 184 participants	Team members in key roles are required to complete an online module when they start an applicable role at Coles. This includes team members in commercial functions procurement and other business units who manage GFR and GNFR requirements and supplier relationships.
Coles Ethical Sourcing Program overview Attended by 31 participants	New team members in supplier-facing roles are required to complete additional training that provides a detailed overview of Coles' requirements and processes for suppliers to achieve compliance.
Human rights essentials Completed by the 16 Executive Leadership Team and Board members	A new online human rights module was developed in FY25, to support our team members to understand the key principles of our Human Rights Strategy. In FY25 the module was completed by the Executive Leadership Team and the Board. This will be progressively rolled out to role relevant team members throughout FY26 and FY27.
Respectful workplaces Attended by 57 participants	An online session conducted in Mandarin, tailored for our suppliers located in China, on how to create respectful workplaces for all workers. The session covered discrimination, sexual harassment and gender bias.
Auditor calibration training Attended by 9 participants	A step-by-step walkthrough for ethical auditors outlining the expectations for audits conducted on behalf of Coles, with the view of supporting suppliers to experience audits as a continuous improvement process.
Grievance mechanisms Attended by 72 participants	An online session for suppliers on grievance mechanisms. This included an overview and practical approaches to implementing effective mechanisms in alignment with Coles' supplier requirements.
Sourcing from China – ethical sourcing Attended by 62 participants	An online webinar provided to Coles team members with sourcing-related responsibilities outlining the importance of ethical sourcing, and key considerations when sourcing goods and services from China.
Coles Ethical Sourcing Program – refresher Attended by 69 participants	Team members in supplier-facing roles have completed a refresher training on key activities specific to their interactions with suppliers with regard to the Ethical Sourcing Program.
Training on common non-conformances Attended by 20 participants	An online session tailored to educate our suppliers and sites located in Vietnam on the common issues identified in our Vietnamese supply chains. The session provided the tools to help prevent non-conformances from occurring and how to remediate any issues if they are identified.
Exploring underpayment issues in high-risk services Attended by 11 participants	A hybrid workshop centred on underpayment issues in high-risk services. For selected procurement team members, this workshop explored current labour costing, as well as working together to develop potential solutions to address any gaps identified.
Dispatch workers Attended by 85 participants	An online webinar tailored to educate suppliers in China, on the legal requirements of having dispatch workers (workers provided by labour hire providers) onsite. This information was supported with practical guidance on how to manage dispatch workers.
Enabling suppliers to cascade requirements Attended by 127 participants	An online webinar designed to provide suppliers with information on how to communicate Coles' Ethical Sourcing Policy and Ethical Sourcing Program requirements to their supply chains to promote integration of requirements in relevant supplier operations.

Preventing modern slavery from occurring continued

Ethical Sourcing team training

The Ethical Sourcing team play a crucial role in implementing the Ethical Sourcing Program. Given the evolving nature of risks, ongoing education of the team is essential for enabling mitigation of the risk of modern slavery within our direct operations and extended supply chains. Training undertaken by the team in the reporting period included:

Understanding modern awards	A training session conducted by the Employee Relations team on the overview of the Modern Awards including the history and how they are structured. The training provided an in-depth look into the awards that are relevant to the Ethical Sourcing Program, and how complex they can be.
Overview of recruitment fees and migrant workers	The Institute of Human Rights and Business delivered a session on recruitment fees and the effect on migrant workers. The team had an opportunity to ask questions on best practice and how industries are managing the risks in their supply chain.
Sedex self-assessment questionnaire scoring and methodology	A session held by Sedex on the annual country risk update, including how findings of critical non-conformances affect the overall risk rating.
Modern slavery risk workshop	A risk workshop session was delivered by a specialist business and human rights advisory firm, including an update on modern-slavery and broader human rights laws and frameworks, stakeholder expectations and modern slavery indicators as relevant to Coles' operating context and sourcing profile.
Human rights and supply chain due diligence trends	A global law firm provided legal training in relation to international ESG due diligence trends and approaches, with a focus on human rights and supply chain issues.

Supporting suppliers to strengthen their programs and assessing effectiveness

Our supply chain is diverse and a one-size-fits-all training approach will not meet the varied needs of our suppliers. In partnership with LRQA (who have expertise in sustainability and supply chains), we developed varied capability-building sessions for our suppliers in China, India, Malaysia, Thailand and Vietnam.

This included different engagement models with tier one and tier two suppliers, incorporating targeted, long-term training whilst also providing scalable training options for our broader supply base. From the outset, we recognised that the Supplier Capability Program, language-specific webinars and EIQ Learn were designed with different objectives, and we did not expect uniform outcomes across them. The capability program enabled deeper, tailored engagement with selected suppliers, supporting long-term development through one-to-one interaction. EIQ Learn offered scalable, consistent content, while webinars addressed region-specific challenges in local languages.

Supplier Capability Program (FY22–FY25)

A one-to-one engagement program to understand supplier training needs and ethical sourcing maturity, enabling tailored support and post-training action plans to build long-term capability and drive continuous improvement.

Language Specific Webinars (FY22–FY25)

Multilingual webinars are conducted annually to support suppliers and their sites, with languages tailored to regional needs including Chinese, Thai and Vietnamese. They address key topics aligned with local challenges (refer to page 37 for webinars held in FY25).

EIQ Learn (FY25)

A digital learning service, with a course library offering interactive, animated training videos. Sites' audit non-conformances are mapped against appropriate training modules and then assigned to suppliers and their respective sites for completion. 617 training modules were completed in FY25.

The Supplier Capability Program delivered the most tangible benefits, enabling suppliers to create internal training and supply chain management systems aligned with Coles' Ethical Sourcing Program. While webinars and EIQ Learn received positive feedback, their impact on site-level practices was harder to measure. We will continue refining our training strategies to deliver meaningful value across our supply chain.

Collaboration and stakeholder engagement

In addition to working closely with our suppliers, we seek to collaborate with other key stakeholders to implement our modern slavery response. The following table summarises our key engagement with stakeholders including unions, investors, and business peers.

Stakeholder/Forum	How we engage	How this engagement has supported our response
Ethical Retail Supply Chain Accord (ERSCA)	Since 2019, Coles and three of the Australian's largest workers' unions: the Shop, Distributive and Allied Employees Association (SDA), the Transport Workers Union (TWU) and the Australian Workers Union (AWU) have partnered with Coles in the Ethical Retail Supply Chain Accord. In 2025, we re-signed for an additional three years.	The ERSCA aims to promote a 'safe, sustainable, ethical, and fair retail supply chain for all workers. This includes planning collaborative activities such as joint worker education events and projects. In FY25, we worked closely with the ERSCA and Be Slavery Free to develop a minimum Accommodation Standard.
UN Global Compact Network	The Global Compact Network is the world's largest corporate sustainability initiative. We joined the Global Compact Network in 2019 and participate in the UN Global Compact Network Australia's (UNGCA) Modern Slavery Community of Practice. We are also a member of UNGCA's Human Rights Due Diligence Working Group.	Participating in the Community of Practice and Human Rights Due Diligence Working Group enables us to share learnings with industry peers and collaboratively discuss issues relating to identifying, managing and communicating modern slavery risks, as well as broader human rights issues.
Be Slavery Free	Be Slavery Free is an Australian coalition of civil society organisations, campaigning against modern slavery, human trafficking, forced and child labour. We became members of the Be Slavery Free network in 2024 and extended this in 2025.	Through joining Be Slavery Free, we have access to industry engagement and collaborative ways to tackle modern slavery, including monthly Be Slavery Free Fight Club participation. Topics discussed in FY25 included worker voice and construction.
Transport Charter	In 2020, we signed a charter with the TWU on standards in road transport and the gig economy focusing on safety, driver education and mental health. The charter includes a formal consultation process between the TWU and Coles to require an ongoing emphasis on safety and to establish mechanisms through which safety issues can be identified and addressed.	In FY25, the charter has continued to facilitate a collaborative process between the TWU and Coles, resulting in targeted road transport safety, mental health programs and driver education. Coles and the TWU have committed to renewing the charter in FY26.
Our investors	Our investment community includes institutional investors, buy and sell-side analysts and retail shareholders. In addition to our public disclosure and other activities, we also engage through one-on-one and group briefing sessions. In FY25 we presented at the Responsible Investment Association Australasia (RIAA) conference on human rights in value chains. The event brought together finance, sustainability and industry practitioners to explore the future of ESG.	Engagement with investors helps us to understand investor expectations and supports us in considering these views. It also provides insight into the matters of importance to the investment community relating to modern slavery.

Preventing modern slavery from occurring continued

Stakeholder/Forum	How we engage	How this engagement has supported our response
Sedex	We hold a buyer's membership with Sedex. We also participate in regular meetings with Sedex to discuss common trends and issues, including human rights related topics, and attended the Sedex member forums.	This partnership helps to ensure that we use current tools and methodologies to identify and assess potential modern slavery risk. These engagements also help us to understand common risks or issues facing the broader industry.
Fair Farms	We hold a buyer's membership with Fair Farms and we actively participate in regular meetings to support the strengthening of their program, governance and data information.	Active engagement in the development of the Fair Farms certification program continues to help develop the Fair Farms standard to meet Coles' minimum requirements to safeguard human rights and seek to mitigate the risk of modern slavery within the Australian horticulture industry.
External human rights benchmarks	We voluntarily participate in external human rights benchmarks, including the World Benchmarking Alliance's Corporate Human Rights Benchmark and others.	Participation and engagement with benchmarks support our efforts to address human rights issues, by providing insights into how our response aligns with industry peers, as well as identifying emerging trends and issues, and opportunities for improvement.
Institute for Human Rights and Business (IHRB) – Responsible Shipping Dialogue	Convened by IHRB, the Responsible Shipping Dialogue for container cargo owners is a working group including global brands (such as Coles), shipowners and operators, and seafarers' representatives, aiming to provide guidance for cargo owners on ensuring human rights due diligence in their shipping activities.	Participating in the Responsible Shipping Dialogue allows Coles to discuss and better understand seafarers' welfare issues with peers, as well as with ocean carriers and expert organisations. This year, discussions included a focus on responsible recruitment for seafarers.

ERSCA statement: Advancing shared goals through union partnerships

"The Ethical Retail Supply Chain Alliance (ERSCA) has been working in open and close collaboration with Coles to build more structures in the horticulture supply chain to stamp out exploitation and improve outcomes for workers.

The close working relationship between the unions that represent workers from the farm door, through transportation networks and on the retail shop floor enables workers' voices to drive the changes that are needed to safeguard the supply chain from exploitation.

In the last 12 months the ERSCA town hall worker education events in locations like Renmark, Grafton and Preston Beach have continued to give workers the opportunity to raise their issues and learn about how they can get support. Union members have been working with Coles to highlight grievances they have around issues like deductions, hours of work, superannuation and accommodation.

Accommodation continues to be one of the biggest issues for farm workers with poor conditions and high prices meaning workers are having a large amount of their wages deducted for their living expenses.

The ERSCA has conducted multiple pieces of research on housing and is committed to working together to raise up workers' voices to keep looking for solutions to the current problems in the industry.

The unions look forward to continuing the tripartite approach to deliver meaningful outcomes for workers in the horticulture industry."

The Ethical Retail Supply Chain Alliance (ERSCA)

Developing and publishing an Accommodation Standard



Pictured: Coles team members Steph and David, engaging with workers at the worker education event in Renmark, SA.

Seasonal workers are vital to Australia's horticulture and meat processing supply chains. Some temporary migrant workers, including those on the Pacific Australia Labour Mobility (PALM) Scheme and Working Holiday Makers, are provided with accommodation as part of their employment.

While we have seen good examples of safe and clean accommodation, we also receive reports and grievances that reveal ongoing issues such as high costs, poor maintenance and overcrowding. We understand that providing quality housing is complex due to limited availability and rising costs.

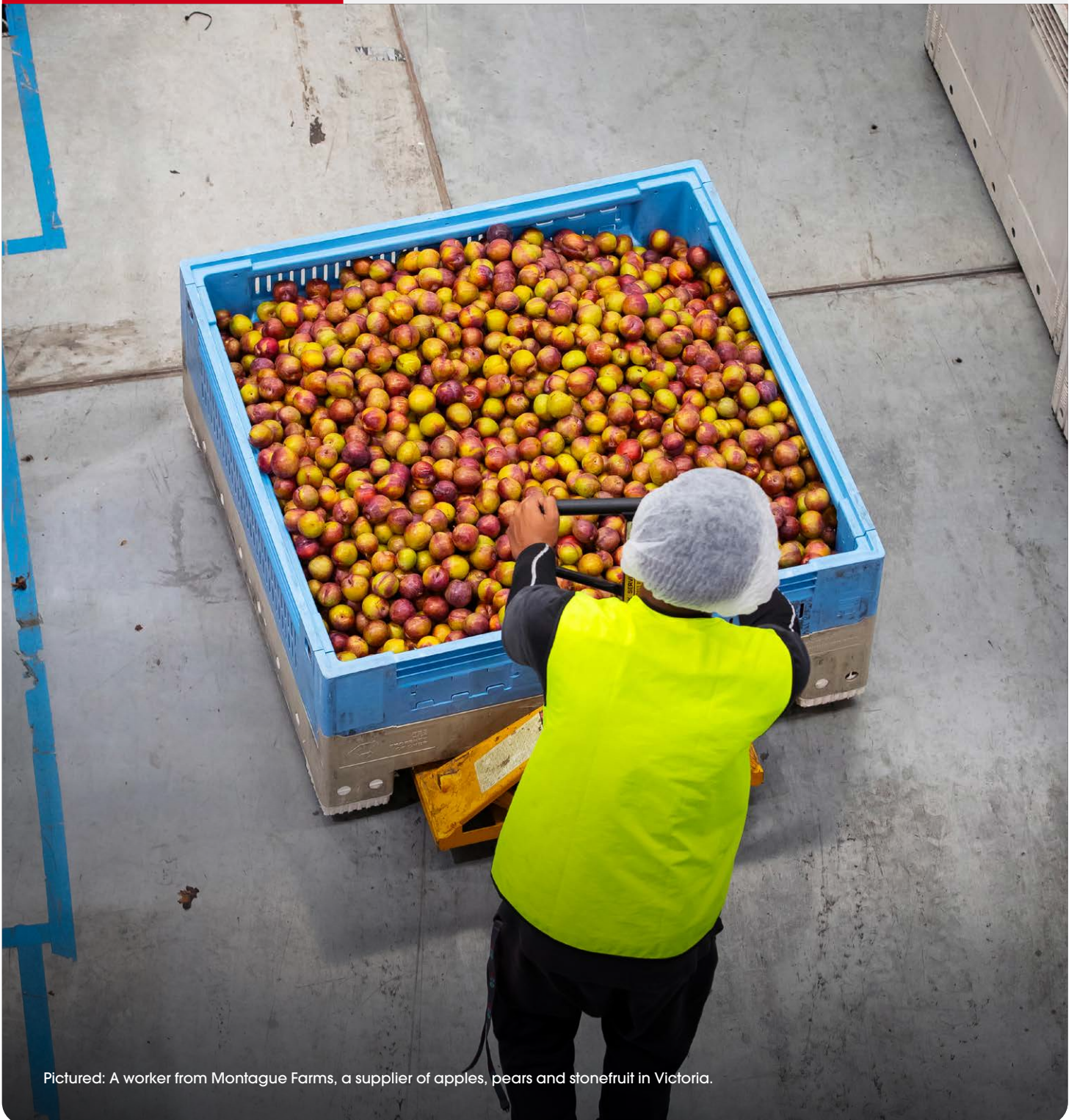
To contribute to supporting improved worker accommodation standards, Coles has in partnership with our ERSCA partners and Be Slavery Free, developed and published an Accommodation Standard that focuses on four key requirements comprised of: 1) fair and reasonable rent; 2) adequate living space, kitchen, and sanitation; 3) clean, safe, and secure conditions; and 4) provider accountability for meeting standards.

The Accommodation Standard reflects a commitment to consistent, practical accommodation for workers across the sectors, that will take an iterative approach to improve over time. A key part of this work involved engaging a broad range of stakeholders including government representatives, suppliers, labour hire agencies, audit bodies, industry associations, non-government organisations, other retailers and workers to contribute towards addressing issues that predominately affect temporary visa workers in Australia. This engagement provided insights into the challenges related to ongoing monitoring of accommodation standards and cost impacts, enabling us to consider these factors when deciding where to concentrate our efforts.

The aim of the Accommodation Standard is to provide stakeholders, including growers, suppliers, accommodation providers, auditors, labour hire providers and workers, with information regarding minimum expectations to prevent issues from occurring. We plan to use it to further understand worker housing conditions in agriculture supply chains. For example, worker accommodation will be assessed against the Accommodation Standard through site visits and third-party audits.

Assessing effectiveness

We define an 'effective' response to modern slavery as one that reduces the risk of vulnerability to exploitation by driving changes to behaviour and practices across our business and supply chain.



Pictured: A worker from Montague Farms, a supplier of apples, pears and stonefruit in Victoria.

Audit in action: testing our Ethical Sourcing Program effectiveness

We seek to enable an environment where our supply chain workers have appropriate pay, good working conditions, and their rights are respected.

In our Human Rights Strategy and previous Modern Slavery Statement, we committed to conduct 10% of audits in high-risk¹ countries on an unannounced basis to validate the effectiveness of the Ethical Sourcing Program. This is primarily focused on announced audits, where suppliers are notified in advance and can prepare for the assessment. An unannounced audit is conducted without any prior notice being provided to the supplier, enabling a review of site working conditions and employment practices on non-audit days.

To undertake this initiative, we partnered with a third-party audit firm to develop an unannounced audit program. This focused on key risk areas (including subcontracting, transparency level of wages provided and working hours), incorporated a worker sentiment survey and utilised supplemental data analysis to provide a wider picture of workplace conditions and employee wellbeing.

We employed a site selection methodology that combined our internal categorisation approach with high-risk country ratings. We categorised supplier sites into three distinct groups:

- **high performing sites** – meet or exceed our Ethical Sourcing Program Requirements
- **underperforming sites** – sites that are not fully compliant with our Ethical Sourcing Program Requirements
- **strategic partnership sites** – sites with the potential for extended partnership and business.

The unannounced audits were conducted at four supplier sites in India and Pakistan covering grocery, pharmaceuticals, and textiles. These sites represent 10% of in-scope suppliers that are providing goods to us from these two high-risk sourcing countries. Key findings included:

- **Higher non-conformance rates:** the unannounced audits detected more non-conformances, highlighting their effectiveness in detecting compliance gaps. At the grocery site in India, the number of non-conformances rose from four in the previous announced audit, to 26 in the unannounced audit, with the majority relating to fire safety. During the post audit discussion, the supplier committed to promptly addressing these issues and to implement corrective actions to prevent reoccurrence.
- **Unauthorised subcontracting:** a tier two supplier was found to be using another site for production that had not been approved for use by Coles, posing a risk to supply chain transparency. The unapproved site was used by the supplier during peak season production for an order and this was identified by the auditor during the review of production and purchase orders. We promptly addressed the issue, and it became clear that our supplier had misinterpreted the requirements relating to sub-contracting in our Ethical Sourcing Policy. The site was then assessed by the Ethical Sourcing team and onboarded into our Ethical Sourcing Program.



Pictured: Coles Group Ethical Sourcing Manager Mabel engaging with a worker at the worker education event in Grafton, NSW.

- **Supplier engagement:** the pilot underscored the need for us to continue to work closely with our larger suppliers to support them in cascading our Ethical Sourcing Policy and Ethical Sourcing Program Requirements to their suppliers, including the right to conduct unannounced audits.
- **Collaborative review of audit findings:** following the unannounced audits, we engaged our suppliers and the auditors to discuss key findings and understand the root causes of the identified non-conformances. This collaborative approach provided valuable insights into the suppliers' understanding of, and willingness to, address, the issues identified. While this approach was informative, its resource intensive nature makes it unsustainable for broader implementation. Looking ahead, we plan to expand the unannounced audit program to additional sites and adapt our approach to support scalability and resource capacity.

Key reflection

We acknowledge that there would be significant operational complexities in implementing a large-scale unannounced audit program, including logistical complexities, resource constraints and potential disruption to supplier relationships. The findings from FY25 however have provided an opportunity for us to rethink and refine our audit program. We will continue to conduct targeted unannounced audits in high-risk countries over the next two years. We will build on the insights gained to explore how unannounced audits can be strategically and pragmatically integrated into our broader audit program to strengthen our ability to identify and address modern slavery risks.

1. Country risk ratings are obtained from Sedex, who compile data on country risk indicators from publicly available sources such as the International Labour Organisation (ILO), the World Economic Forum, Walk Free Foundation, and the International Trade Union Confederation.

Assessing effectiveness continued

We define an ‘effective’ response to modern slavery as one that reduces the risk of workers’ vulnerability to exploitation by driving positive changes to behaviour and practices across our business and supply chain.

Throughout FY25, we evaluated the effectiveness of different activities in our modern slavery response and made adjustments accordingly. We also worked to review effectiveness from a holistic, program-wide perspective. This supports us to understand how these interconnected efforts contribute to a comprehensive and impactful modern slavery program.

The table below defines what ‘effectiveness’ looks like across core areas of our modern slavery response. Where we observe changes in these areas, we seek to understand whether these changes directly resulted from our actions or were influenced by other external factors. This distinction is critical, as it informs how we allocate resources and where we focus our efforts for the greatest impact. To date, our work to assess our effectiveness has included a focus on ‘outputs’, such as the number of audits conducted and training sessions delivered. As our program matures, we are committed to refining our approach to evaluating program-wide effectiveness, including more of a focus on outcomes that reflect change and measuring impact.

Area of modern slavery response	Effectiveness looks like...	Reporting on effectiveness	
		Priority activities (and how we assess their effectiveness)	What's changed (and areas to improve on)
 Learn more about our work in this area on pages 14–21.	Team members in our business and our suppliers are equipped to recognise potential indicators of modern slavery and are confident to escalate concerns appropriately. Given the complexity of our supply chain and the scale of our workforce across Australia, we recognise that risk identification cannot sit with one team. It is important to build awareness and capability amongst our suppliers and across the organisation so that risks can be identified early and reported.	• 12 training sessions conducted to increase awareness of modern slavery risks, with over 740 attendees. This includes the ‘human rights essentials’ module completed by our Executive Leadership Team and the Board. Training is assessed through feedback surveys to understand learning outcomes and knowledge gaps. • 22 visits by the Ethical Sourcing team¹ to supplier sites and our own facilities. Site visits allow us to better identify risks. Following site visits, team members debrief on learnings. We will review how we can strategically incorporate forward planning of site visits as part of our modern slavery response. 1. The site visits conducted by our team are in addition to the site visits conducted by third-party auditors as part of ethical audits within our audit program (refer to <i>How our Ethical Sourcing Program works</i> section on page 26).	• We observed a rise in the number of ethical sourcing related grievances raised directly to the Ethical Sourcing team compared to FY24 (refer to <i>Managing grievances</i> section on page 30). This may suggest an increased awareness of modern slavery risks and whom to raise worker-related grievances with. Some issues raised were previously unknown to us and may have gone unidentified. We will determine whether processes need to change to reflect these new risks. • We will continue to engage with our wider teams to further upskill on modern slavery risks and how to escalate. This includes proactive engagement with our Human Rights Steering Committee and Modern Slavery Working Group who consist of senior leaders across the business.
	As a fast-moving omnichannel retail business, it is important we look to stay ahead to identify and pre-emptively address emerging modern slavery risks. This includes embedding modern slavery risk awareness into our decision-making processes, as part of our transformation and innovation strategies.	• We commenced updating our Third-Party Risk Management (TPRM) risk assessment questionnaires to better capture risks. As we conduct supplier reviews, we assess and enhance questions to better identify risks. • We refined our audit methodology for service providers. We conducted pilot audits and updated our methodology to better reflect sector characteristics (refer to <i>How our Ethical Sourcing Program works</i> section on page 26). • With increased AI use and associated human rights risks, as part of developing our responsible AI Policy, the Ethical Sourcing team was engaged to include a human rights lens (refer to case study on page 16).	• We improved processes to better reflect risks (including tenders, risk questionnaires and audits), learning from audit non-conformances and risk factors, including risks relating to workers on international student visas, accommodation, unauthorised subcontracting and labour hire. • We commenced a refresh of our modern slavery risks, in partnership with a third-party advisory group. This review will flag areas of risks we may need to further prioritise.

Reporting on effectiveness

Area of modern slavery response	Effectiveness looks like...	Priority activities (and how we assess their effectiveness)	What's changed (and areas to improve on)
Addressing known modern slavery risks  Learn more about our work in this area on pages 22–34.	Effectively addressing modern slavery risks begins with prioritising actions which can have a longer-term sustained positive impact and determining a targeted, proportionate response. As a fast-paced retail business with a complex supply chain, we recognise that modern slavery risks can occur across multiple tiers of our supply chain. Where risks are closer to our operations, we focus on identifying specific, direct interventions such as supplier engagement and remediation. Where risks are more systemic or occur deeper in the supply chain, we recognise that meaningful change may often require collective action. In these cases, we typically seek to participate in multi-stakeholder initiatives and industry collaborations that are better positioned to drive systemic improvements. This tiered approach allows us to allocate resources more effectively, respond to known risks with appropriate strategies, and contribute to broader efforts to reduce modern slavery in supply chains.	• In-scope suppliers conducted 1,281 ethical audits over FY25 with 5,792 business critical, critical and major non-conformances identified and 4,373 non-conformances remediated. We analyse audit trends which help inform training topics. In FY25, we engaged suppliers to understand their auditing experience. Some shared the challenges faced while others highlighted workplace improvements as a result of audits undertaken. • 17 grievances raised were investigated in FY25. We streamlined our grievance mechanisms to a single third-party channel with updated resources to support workers with limited English proficiency (refer to <i>Managing grievances</i> section on page 30). We conduct reviews post the investigations to better manage grievances raised and developed an Investigation Protocol to improve process consistency.	• We observed a decrease in the average number of non-conformances per audit since FY23 (refer to <i>Ethical audit findings and trends</i> section on pages 27–28). This may indicate suppliers' improved preparedness for audits and/or potentially enhanced workplace conditions following audits. We seek to understand longer-term impacts to workers and whether audits have contributed to change. • We commenced a strategic review of our Ethical Sourcing Program and an unannounced audit program (refer to case study on page 43) to assess the effectiveness and to refine our response. • We identified no ethical sourcing related cases raised through STOpline in FY25. Following a review and updating our grievance mechanism, we plan to increase awareness and monitor the use of STOpline.
Preventing and mitigating future modern slavery risks  Learn more about our work in this area on pages 35–41.	Measuring the effectiveness of prevention work is inherently challenging, as success often manifests as the absence of negative outcomes. This makes it difficult to quantify impact and even more difficult to attribute change to specific prevention activities. Recognising this, we see an effective response as having improved visibility into where risks may emerge and having systems and controls that are robust enough to detect and mitigate new areas of concern. Effectiveness can also come in the form of seeing a measurable reduction in worker-related incidents in previously identified high-risk areas which can in part be attributable to proactive risk mitigation strategies.	• We updated our Ethical Sourcing Policy to support operational application (refer to <i>Policies and procedures</i> section on pages 35–36). We regularly review our policy considering stakeholder feedback and insights from audit trends. • We collaborated with diverse stakeholders to enable our risk management approach to remain fit for purpose. This included collaborating with partners to publish an Accommodation Standard (refer to case study on page 41) that helps highlight risks associated with poor accommodation. In FY25, we assessed accommodation-related findings in our Australian supply chain and will continue to monitor this area. • We engaged with selected suppliers, including through tailored capacity building activities, to support them to put in place appropriate processes to prevent modern slavery risks from arising (refer to case study on page 38 for activities in FY25).	• Ethical sourcing risks in the Coles Group Risk Profile has consistently been within Board approved risk appetite that reflects the performance of established controls in proactively mitigating risks. Ethical Sourcing risk in the Coles Group Risk Profile is reported and monitored quarterly through the Audit and Risk Committee. • We will continue to monitor public reports relating to human rights issues to understand how they relate to our business, and aim to proactively mitigate new areas of concerns.

Assessing effectiveness continued**Engaging with purpose: a targeted approach to strengthening worker education in our supply chains**

Pictured: Coles team members Pauline and Steph, speaking with a worker at the worker education event in Renmark, SA.

Coles recognises the importance of engaging directly with workers and their representatives to support, assess and address the risks of modern slavery within our supply chain. Since 2019, under the Ethical Retail Supply Chain Accord (ERSCA) (refer to *Collaboration and stakeholder engagement* section on pages 38–39), we have held several worker education events in Australian produce growing regions including Renmark (SA), Grafton (NSW) and Preston Beach (WA). The events are designed to provide workers information on their labour rights, covering topics such as freedom of association, working hours, superannuation, health and safety, wages (including piece rates), and accommodation.

Over the past two years, we have adopted a more structured, risk-informed approach to planning the worker education events. This approach considers multiple factors, including peak harvest periods, the use of worker accommodation by temporary migrant workers, the type of produce and seasonality, and historical data from previous events. This intentional planning supported us to reach workers at the most critical times and in the most relevant locations. We also integrate insights from past worker feedback via debrief sessions, to continuously refine the format, and delivery of each event.

To further strengthen our engagement, we conducted supplier site visits in advance of the events. These visits allowed us to understand the working conditions firsthand and to help support early rapport with workers and supplier representatives, enabling our presence at the events to be more familiar and trusted by attending workers. In parallel, we collaborate closely with unions with these visits to support with grievance resolution. By leveraging these relationships, we can collaborate on the events and investigations. These partnerships provide valuable insights into on-the-ground challenges, helping us better understand worker experiences.

The changes we have made to our worker engagement approach, such as supplier visits, stronger union collaboration, and more targeted event planning, have begun to shift how workers interact with us. In some locations, we've seen greater willingness to raise concerns and participate in discussions – however, engagement levels still vary. Worker engagement will continue to be a key focus for the ERSCA, and we plan to arrange additional events over FY26 in locations across Queensland, NSW, and Victoria.

How we have consulted within our business

We take a coordinated and consultative approach to addressing modern slavery risks across our business. Consistent with this approach, we undertook a consultation process within our business to develop this statement.

Statement development

The development of this statement was led by the Ethical Sourcing team who consulted directly with functional teams across the Coles Group – including commercial, operations and procurement teams – to draft the statement. These teams collaborate on a day-to-day basis to implement our response to addressing modern slavery risks. For example, the Ethical Sourcing team consulted with commercial and procurement teams to refine our understanding of modern slavery risks associated with selected products and services categories, and engaged on relevant case studies that demonstrate our approach in practice. This process informed the content of the statement and also created opportunities to deepen internal engagement and foster awareness and collaboration across functions.

Throughout the process, updates were also shared with the Modern Slavery Working Group (MSWG) for consultation and inputs. The MSWG includes representatives from business functions across the Coles Group such as ethical sourcing, procurement, commercial, risk and compliance, Own Brand, operations, people and culture, employee relations and sustainability.

Whole of Group level consultation

Our statement was subject to a cross-functional consultation process that encompassed engagement with directors of the reporting entities and owned and controlled entities, as well as our Executive Leadership Team.

Drafts of the statement were also shared with members of the Human Rights Steering Committee and Modern Slavery Working Group for review and feedback.



Reporting entities

Along with the director-level consultation process with reporting entities, the Ethical Sourcing team engaged with representatives of each reporting entity at the management or operational level. This was conducted either through the MSWG or via separate consultation meetings.

Owned and controlled entities

As part of our organisational risk management process, we also conducted a targeted assessment of the risk profiles of selected owned and controlled entities – including our manufacturing businesses. We reviewed current risks, and related risk governance and management practices in consultation with representatives of these entities and Coles Group subject matter experts. This review included a high-level assessment of ethical sourcing risks that aimed to strengthen our overall approach to risk management of our owned and controlled entities.

Consultation also took place with both Flybuys and Queensland Venue Co., as Coles has a 50% interest in both businesses who are required to submit their own modern slavery statements. This consultation focused on their modern slavery reporting, modern slavery risks and actions to address them in the reporting period.

Statement approval

In accordance with the requirements of section 14(2)(d)(i) of the Modern Slavery Act, this statement was approved by the Board of Coles Group Limited in their capacity as principal governing body of Coles Group Limited on 17 September 2025, and was approved by the boards of each of the other reporting entities in their capacities as principal governing bodies of those entities on 17 September 2025. The statement is signed by the Chairman and Chief Executive Officer of Coles Group Limited and by the Chief Executive Officer in her capacity as a director of each of the other reporting entities.

Ernst & Young provided limited assurance over this statement. The limited assurance process assists in improving Coles' processes for modern slavery risk management and reporting.

Peter Allen

Chairman, Coles Group Limited
17 September 2025

Leah Weckert

Managing Director and Chief Executive
Officer, Coles Group Limited
17 September 2025

Appendices

Appendix 1: Compliance with Modern Slavery Act requirements

This statement was prepared in accordance with the criteria set out in the Australian *Modern Slavery Act 2018* (Cth). The following table outlines where information related to each mandatory reporting criterion can be located within our statement.

Mandatory criteria for Modern Slavery Statements	Location of information	Page
Identify the reporting entity	• Approach to reporting • Our structure	Page 3 Page 5
Describe the structure, operations, and supply chains of the reporting entity	• Our structure • Our operations and our team • What we source • Appendix 3: Country risk data	Page 5 Page 8 Pages 11–13 Pages 50–51
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	• Modern slavery risks • How we understand and assess our modern slavery risk profile • Our modern slavery risk profile – operations • Our modern slavery risk profile – supply chain • Our exposure to geographic risks	Pages 14–21 Pages 15–16 Page 17 Pages 18–19 Pages 20–21
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	• Our modern slavery response • Due diligence to manage modern slavery risks • Managing risks in our operations • Managing risks in our supply chain • Grievance management and remediation • Managing grievances • Our approach to grievance management • Our approach to remediation • Preventing modern slavery from occurring • Appendix 2: Coles' supplier grievances table	Pages 22–41 Pages 24–29 Page 24 Pages 25–29 Pages 30–34 Page 30 Pages 31–33 Page 34 Pages 35–41 Pages 48–49
Describe how the reporting entity assesses the effectiveness of such actions	• Assessing effectiveness • How we assess the effectiveness of our actions is also reflected in the respective sections throughout this statement	Pages 42–46
Describe the process of consultation with any entities that the reporting entity owns or controls	• How we have consulted within our business	Page 47
Provide any other information that the reporting entity, or the entity giving the statement, considers relevant	• Message from our Chairman and CEO • Our pathway to continuous improvement	Page 4 Pages 6–7

Appendix 2: Coles supplier grievances table

The following supplier grievances were received in FY25. Sources of grievances include workers unions, direct contact to Coles and supplier audits¹ within our Ethical Sourcing Program.

Period received	Type of supplier	Nature of grievance/investigation	Outcome
Apr – Jun 2025	GNFR supplier (indirect)	Allegations of unpaid wages, personal documentation withheld and unethical management behaviour.	Open. Investigation in progress.
Apr – Jun 2025	Fresh Produce (indirect)	Allegations of workers sharing a bed as there weren't enough beds for all workers.	Open. Investigation in progress.

1. Additional concerns raised by auditors following an audit (refer to *Grievance management and remediation* section on page 30).

Period received	Type of supplier	Nature of grievance/investigation	Outcome
Apr – Jun 2025	Fresh Produce (direct)	Allegations of workplace bullying and supervisor intimidation.	Open. Investigation in progress.
Apr – Jun 2025	GNFR supplier (services)	Allegations of underpayment.	Closed. An internal investigation was conducted and found the allegations to be unsubstantiated.
Apr – Jun 2025	Fresh Produce (direct)	Allegation of undeclared workers working at the site.	Open. Investigation in progress.
Apr – Jun 2025	GNFR supplier (services)	Allegations of underpayment.	Closed. The complainant did not want to continue with the investigation. Internal review with supplier is still being conducted.
Jan – March 2025	Fresh Produce (direct)	Allegations of overcrowding in accommodation, management intimidation, and piece rate irregularity.	Closed. An external investigation was conducted and found the allegations to be unsubstantiated.
Jan – March 2025	GNFR supplier (services)	Allegations of underpayment.	Closed. An external investigation was conducted and found the allegations to be substantiated. Repayments have been made to all workers affected.
Jan – March 2025	Fresh Produce (direct)	Allegations of undocumented workers engaged in forced labour and forced overtime.	Open. Investigation in progress.
Jan – March 2025	Propriety Product	Allegations of withholding pay as a disciplinary action.	Closed. An internal investigation was conducted and found the allegations to be unsubstantiated.
Oct – Dec 2024	Fresh Produce (indirect)	Allegations of undocumented workers.	Closed. An internal investigation was conducted which identified the site was not in Coles' supply chain. We provided resources to the site to share with the workers.
Oct – Dec 2024	GNFR supplier (services)	Allegations of underpayments.	Closed. An internal investigation was conducted, with findings substantiated. Repayments have been made to all workers affected.
Jul – Sept 2024	Fresh Produce (indirect)	Allegations of workers not receiving the correct entitlements for a permanent position.	Closed. An internal investigation was conducted, with findings substantiated. Repayments have been made to all workers affected.
Jul – Sept 2024	Labour Hire Provider used by Coles supplier (direct)	Allegations of worker mistreatment, unreasonable deductions, unfit accommodation, and not receiving payslips.	Closed. An internal investigation was conducted and found the allegations to be unsubstantiated.
Jul – Sept 2024	GNFR supplier (services)	Allegations of phoenixing ¹ , underpayments and unethical management behaviour.	Closed. Following an internal investigation, Coles chose to exit.
Jul – Sept 2024	Health and Home supplier (indirect)	Allegations of worker retaliation, unreasonable deductions, young workers, unfit accommodation, unethical management behaviours and labour hire provider receiving kickbacks.	Closed. An external investigation was conducted and found the allegations to be unsubstantiated.
Jul – Sept 2024	Fresh Produce (direct)	Allegations of overcrowding and overcharging accommodation.	Closed. An internal investigation was conducted, with findings partially substantiated in respect of overcrowding. All issues were resolved through cooperative engagement with the supplier and unions.

1. Illegal phoenix activity is when a new company is created to continue the business of an existing company that has been liquidated to avoid liabilities including taxes and employee entitlements (Department of Employment and Workplace Relations).

Country	Inherent risk score	Bakery	Dairy, Frozen & Convenience	Fresh Produce	GNFR (products and services)	Grocery	Health and Home	Liquor	Meat, Deli, Seafood	Supply Services	Total
Romania	●					1					1
Serbia	●		1								1
Spain	●		2			3	1		3		9
Sweden	●				1						1
Switzerland	●				1	3			1		5
Türkiye	●				1	4					5
United Kingdom	●	4	2		1	2		2	4		15
NORTH AMERICA											
United States of America	●			3		4		1			8
Canada	●	2	1			2					5
SOUTH AMERICA											
Chile	●		2								2
Mexico	●			4	1						5
Peru	●		1			1					2
OCEANIA											
Australia	●	55	89	702	145	103	46	22	88	3	1,253
Fiji	●								1		1
New Zealand	●	7	2	41		6		1	1		58
Grand total		84	143	756	203	249	252	36	124	3	1,850



colesgroup

Coles Group Limited

ABN 11 004 089 936

800-838 Toorak Road
Hawthorn East

VIC 3123 Australia