

Company Name Coles
Industry Agricultural Products (Supply Chain only)
Overall Score (*) 28.9 out of 100

Theme Score	Out of	For Theme
2.7	10	A. Governance and Policies
6.3	25	B. Embedding Respect and Human Rights Due Diligence
4.2	15	C. Remedies and Grievance Mechanisms
5.8	20	D. Performance: Company Human Rights Practices
5.8	20	E. Performance: Responses to Serious Allegations
4.3	10	F. Transparency

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: General HRs commitment: Both in its Disclosure to CHRB Platform (approved by its Human Rights Steering Committee) and on its website the Company states: 'Coles Group respects human rights and opposes slavery in all its forms. We are committed to transparently sourcing goods and services in an ethical manner and minimising the potential for labour and human rights issues in our supply chains and operations. While our operations and supply chains are complex, our aim is to ensure that human rights are understood, respected and upheld.' [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au & Coles Group Corporate Human Rights Benchmark (CHRB) Disclosure, Jun 2019: business-humanrights.org] Met: UNGC principles 1 & 2: The Company is a signatory of the UNGC [UNGC - Coles, Jun 2019: unglobalcompact.org] Not met: International Bill of Rights <p>Score 2</p> <ul style="list-style-type: none"> Met: UNGPs: The company is committed to support the United Nations Guiding Principles on Business and Human Rights among other globally recognised declarations, principles and goals upon which our Ethical Sourcing Policy and Programs are based. [Coles Group Corporate Human Rights Benchmark (CHRB) Disclosure, Jun 2019: business-humanrights.org] Not met: OECD

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.2	Commitment to respect the human rights of workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: UNGC principles 3-6: The Company is signatory of the UNGC. [Coles Group Corporate Human Rights Benchmark (CHRB) Disclosure, Jun 2019: business-humanrights.org & UNGC - Coles, Jun 2019: unglobalcompact.org] • Met: Explicitly list All four ILO for AG suppliers: The Company's 'Ethical sourcing policy' contains explicit requirements in relation to discrimination, child labour, forced labour, freedom of association and collective bargaining. In relation the last one, the code indicates that 'suppliers acknowledge that workers have a right to freedom of association and to bargain collectively'. 'Where the right to freedom of association and collective bargaining are restricted under local laws, suppliers will not hinder the development of alternative means of independent and free association and bargaining'. [Ethical Sourcing Policy, 09/2018: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Explicit commitment to All four ILO Core: The Company states that Wesfarmers' modern slavery act statement for 2018 covers Coles (Coles spun off from Wesfarmers in November, 2018). Wesfarmers' modern slavery act states that Wesfarmers is committed to [...]. We prohibit discrimination and forced, trafficked and child labour and are committed to safe and healthy working conditions, including the right to freedom and collective bargaining'. However, this indicator looks for evidence on the company's own documents and it is not clear on Wesfarmers MSA that the commitment includes Coles. The Company is committed against discrimination in occupation. In addition, in its website section 'Our people', the Company states: 'The terms and conditions of employment of more than 89.9 per cent of Coles' team members are set through collective agreements. We recognise the right of team members to negotiate either individually or collectively, with or without the involvement of third parties. Coles' collective agreements include provisions for notice periods and provisions for consultation and negotiation.' No evidence found, however, of commitments against each of the ILO core conventions for its own operations. [Ethical Sourcing Policy, 09/2018: colesgroup.com.au & Our People, Jul 2019: colesgroup.com.au] • Met: Respect H&S of workers: The Company indicates that it is 'committed to providing a safe and healthy environment for our team, customers, suppliers, visitors and supply chain partners'. It has a system that 'helps to promote and provide a safe and healthy work environment as well as early and effective injury management assistance to team members injured as a result of work'. [Health, Safety and Wellbeing Policy: colesgroup.com.au] • Met: H&S applies to AG suppliers: The 'Ethical sourcing policy' contains different requirements regarding health and safety, including the following: 'suppliers will provide workers with a safe and clean working environment taking into consideration the prevailing knowledge of the industry and of any specific hazards'. [Ethical Sourcing Policy, 09/2018: colesgroup.com.au]
A.1.3.AG.a	Commitment to respect human rights particularly relevant to the industry - land and natural resources (AG)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Respect land ownership and natural resources • Not met: Respecting the right to water: Although the Company reports on measures in relation to drought relief, no formal statement of commitment found to respect the right to water (safe access to water). [Supporting Aussie farmers, 26/02/2019: coles.com.au & Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] • Not met: Expecting suppliers to respect these rights: Commitment to water only found in relation to workers access to toilet and drinking water (safe working conditions). Ethical sourcing policy also states that 'suppliers must comply with local and national environmental laws and regulations'. No specific requirement found to respect the right to water. [Ethical Sourcing Policy, 09/2018: colesgroup.com.au & Ethical sourcing supplier requirements - final, 09/2018: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Voluntary Guidelines on Tenure Rights • Not met: IFC Performance Standards • Not met: FPIC for all • Not met: Zero tolerance for land grabs • Not met: Respecting the right to water: As above • Not met: Expecting suppliers to respect these rights: As indicated above, commitment to water only found in relation to workers access to toilet and drinking water (safe working conditions). [Ethical Sourcing Policy, 09/2018: colesgroup.com.au & Ethical sourcing supplier requirements - final, 09/2018: colesgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.3.AG.b	Commitment to respect human rights particularly relevant to the industry – people’s rights (AG)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Women's rights: In its Disclosure to CHRB platform, the Company states: 'Coles Group continues to support the following globally recognised declarations, principles and goals upon which our Ethical Sourcing Policy and Programs are based: [...] United Nations Women’s Empowerment Principles [...]' In addition, on its website section 'Our People, the Company promotes gender balance through a number of through 'company-wide gender balance initiatives. [Our People, Jul 2019: colesgroup.com.au & Coles Group Corporate Human Rights Benchmark (CHRB) Disclosure, Jun 2019: business-humanrights.org] • Not met: Children's rights • Not met: Migrant worker's rights • Not met: Expects suppliers to respect these rights: In its Ethical Sourcing - Continuous improvement Guidance, the Company introduces a list of good and best practices were the aim is to achieve equality between women and men. However, CHRB could not find a statement were the Company expects its suppliers to respect women's rights. [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: CEDAW/Women's Empowerment Principles: See above [Coles Group Corporate Human Rights Benchmark (CHRB) Disclosure, Jun 2019: business-humanrights.org] • Not met: Child Rights Convention/Business Principles • Not met: Convention on migrant workers • Not met: Expecting suppliers to respect these rights: As above
A.1.4	Commitment to engage with stakeholders	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Regular stakeholder engagement: The Company indicates that it has a multi-stakeholder engagement approach to human rights due diligence that includes supplier capacity building and investment in supplier training. It also indicates that formed the 'Coles Agronomy Group' with approximately 20 grower volunteering their time to work together with Coles to address industry challenges around labour practices. On its website it also reports engagement with the communities in which it operates. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Met: Regular stakeholder design engagement: In 2018 Westfarmers Modern Slavery Statement (which includes Coles activities in fiscal year 2017/2018), it is being said: 'Our businesses regularly engage with workers in tier-one factories in our supply chain through factory visits (both announced and unannounced), our audit program and our grievance mechanisms. Through these engagements, we seek feedback on how well the policies and procedures outlined in Table 2 work in practice. For example: Coles’ Agronomy Group was active during the year, with approximately 20 growers volunteering their time to work together with Coles to address industry challenges around varietal development, sustainable farm practices, water use and labour practices in the fresh produce industry.' [2018 Modern Slavery Statement, Sep 2018: sustainability.wesfarmers.com.au]
A.1.5	Commitment to remedy	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to remedy: Although the Company has provided different sources to CHRB containing information on grievance mechanisms, no specific formal statement found committing to 'remedy' adverse impacts that it has caused or contributed to. The Company also indicates that its policies are based on the UN Guiding principles. However, this indicator looks for explicit commitment to remedy adverse impacts. [Code of conduct, 10/2018: colesgroup.com.au & Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies [Whistleblowing Policy, Jun 2019: colesgroup.com.au & Code of conduct, 10/2018: colesgroup.com.au] • Not met: Collaborating with other remedy initiatives • Met: Work with AG suppliers to remedy impacts: The Company has developed different Remediation Programs related with: Wages and Benefits, Child Labour and Forced and Bonded Labour. In its Ethical Sourcing - Supplier Requirements it describes the Remediation Steps that the supplier must take to remedy their non-compliance in order to keep working with the Company. For instance, the Remediation Steps related with Wages and Benefits include the following: '[...] The employer should communicate to the workers that the underpayment has taken place and workers will receive appropriate back-payment. This document should be

Indicator Code	Indicator name	Score (out of 2)	Explanation
			made available for auditor review. 5.4. The employer should pay the owed amount to the affected workers within a reasonable time period, to be agreed with Coles. [...] 5.7. If in Coles' view the supplier does not take the appropriate steps to remedy the underpayment of wages and benefits within a reasonable time, supply to Coles will be immediately suspended, and Coles may terminate the supply agreement and notify the Fair Work Ombudsman.' [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au]
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Zero tolerance attacks on HRs Defenders (HRDs): In its Whistleblower Policy, the Company states: 'Coles will not tolerate anyone being discouraged from speaking up or being adversely affected because they have reported misconduct in accordance with this policy.' It also indicates in its website section 'Ethical Sourcing' that 'Coles uses all reasonable endeavours to ensure that any team member or employee of a contractor, supplier or third party who makes a report can do so without fear of intimidation, disadvantage or reprisal.' However, no evidence found (in these and other sources provided to CHRB) of commitment to not retaliate against anyone who opposes the Company's activities due human rights, beyond the scope of the grievance mechanisms (any person or representative defending human rights, i.e. human rights defenders). [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au & Whistleblowing Policy, Jun 2019: colesgroup.com.au] Score 2 <ul style="list-style-type: none"> Not met: Expects AG suppliers to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: CEO or Board approves policy: The Statement disclosed through CHRB platform which includes the Company's human rights commitments was approved by the Human Rights Steering Committee which is 'chaired by [its] Chief Legal Officer and includes representatives from across the Coles Group including responsible sourcing, procurement, legal, corporate affairs, merchandise and operations', according to its website section 'Ethical Sourcing'. The statement was not approved by the Board. In addition, CHRB could not find evidence that the Ethical Sourcing Policy was approved by the Board. [Coles Group Corporate Human Rights Benchmark (CHRB) Disclosure, Jun 2019: business-humanrights.org & Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] Not met: Board level responsibility for HRs: The Board of Directors is responsible for 'monitoring and guiding the culture, reputation and standards of conduct of the Group to promote ethical and socially responsible behaviour, in accordance with the core values of the Group'. However, the Company's Code of Conduct does not include any reference to human rights or ILO core, with the exception of discrimination. In addition, in its Audit and Risk Committee Charter, the Company indicates that this Committee is responsible for: 'oversee the policies and procedures for ensuring the Group's compliance with relevant regulatory and legal requirements; [...] evaluate the adequacy and effectiveness of the Group's identification and management of environmental and social sustainability risks and its disclosure of any material exposures to those risks; [...]' However, there is no specific reference or task about human rights. [Board Charter, 10/2018: colesgroup.com.au & Audit and Risk Committee Charter, 10/2018: colesgroup.com.au] Score 2 <ul style="list-style-type: none"> Not met: Speeches/letters by Board members or CEO
A.2.2	Board discussions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Board/Committee review of salient HRs: The Company has provided different sources to CHRB for this indicator but no material evidence found. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au & 2018 Modern Slavery Statement, Sep 2018: sustainability.wesfarmers.com.au] Not met: Examples or trends re HR discussion Score 2 <ul style="list-style-type: none"> Not met: Both examples and process
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Incentives for at least one board member Not met: At least one key AG HR risk, beyond employee H&S

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 • Not met: Performance criteria made public

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See indicator A.1.2 [Code of conduct, 10/2018: colesgroup.com.au & Our people, 26/02/2019: colesgroup.com.au] • Met: Senior responsibility for HR: On its website section 'Ethical Sourcing', the Company indicates: 'The implementation and governance of the Coles Ethical Sourcing Policy is overseen by a Human Rights Steering Committee which is chaired by our Chief Legal Officer and includes representatives from across the Coles Group including responsible sourcing, procurement, legal, corporate affairs, merchandise and operations. The Committee meets monthly to support management of human rights issues and impacts throughout Coles Group operations and supply chain and is accountable for strategy development and execution in this area.' [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Day-to-day responsibility • Met: Day-to-day responsibility for AG in supply chain: Also on its website section 'Ethical Sourcing': 'Day to day management of human rights in the supply chain is overseen by the Ethical Sourcing team which is responsible for identifying human rights risks, conducting and reviewing supplier audits, remediation of non-conformances through corrective action plans and tailored processes, as well as building capacity throughout the supply base and training suppliers and team members on human rights risks and practical mitigation strategies.' [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au & Ethical Sourcing Policy, 09/2018: colesgroup.com.au]
B.1.2	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Senior manager incentives for human rights • Not met: At least one key AG HR risk, beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: HR risks is integrated as part of enterprise risk system: In its 'Demerger of Coles Scheme Booklet', the Company discloses its risk factors, which include: 'Business interruption arising from industrial disputes or increases in labour costs: A failure to successfully manage industrial relations or ensure proper design, processes, security and culture at stores or sites could result in industrial disputes, work stoppages or accidents that cause adverse reputational, financial, legal, productivity or morale impacts. Industrial action in operations in Coles' supply chain in particular has the potential to cause widespread disruption to Coles' business. Coles' largest enterprise agreement was approved by the Fair Work Commission this year. This covers most wage paid team members engaged under one of the relevant classifications contained in the enterprise agreement.[...] Supply chain risks: [...] labour rights may be breached by contractors or suppliers resulting in legal action, supply interruptions and adverse reputational impact, or Coles or a supplier may discover ethical concerns, such as human rights abuses, in a supply chain. Coles seeks to mitigate supply chain risks by maintaining a high degree of rigour regarding ongoing contract and supplier management, moving some key services in-house, and having processes in place to identify and investigate any alleged unethical sourcing or human rights abuses.' [Demerger of Coles Scheme Booklet, Oct 2018: wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment: The Audit and Risk Committee has the responsibility to 'assist the Board in fulfilling its responsibilities in [...] overseeing the effectiveness of the enterprise risk framework including the setting of risk parameters of the Group, [...].' However, it is not clear whether the Committee specifically assesses the adequacy of the risk management system in managing human rights risks. [Audit and Risk Committee Charter, 10/2018: colesgroup.com.au]

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B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See indicator A.1.2 • Not met: Communicates its policy to all workers in own operations: In the 2018 Westfarmers' Modern Slavery Statement, which describes the steps taken by Wesfarmers and all its wholly owned subsidiary businesses and divisions during the financial year ending 30 June 2018 (period when Coles was still part of Westfarmers), it is indicated the following: 'We keep our buying and sourcing teams up-to-date on our ethical sourcing and human rights commitments and how their actions may impact workers' rights. The findings from our audit program and stakeholder engagements are fed into this training to ensure that our teams improve their understanding of ethical sourcing and human rights. We train relevant employees on how to incorporate respect for human rights into all business decisions, making employees aware of the impact their actions can have on human rights. For example, we train relevant team members about the implications of making short notice purchasing decisions on potential human rights risks. We deliver training on ethical sourcing requirements to relevant team members, third party auditors, suppliers and factories so that they understand ethical sourcing risks and the standards expected by our divisions.' It also states in its website section 'Ethical Sourcing' that 'We keep our buying and sourcing teams up-to-date on our ethical sourcing and human rights commitments and how their actions may impact workers' rights. We aggregate the findings from our audit program and feed these into our internal training to ensure that our teams understand ethical sourcing and human rights relevant to their category.' However, CHRB could not find information (including sources provided directly by the Company) describing how the Company communicates its human rights policies to all its workers (including local languages where relevant). [2018 Modern Slavery Statement, Sep 2018: sustainability.wesfarmers.com.au & Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to all 4 ILO core conventions: See indicator A.1.2 • Not met: Communication of policy commitments to stakeholder • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to all 4 ILO core conventions for suppliers: See indicator A.1.2 • Met: Communicating policy down the whole AG supply chain: The 'Ethical sourcing policy' states that 'all suppliers are required to agree to the principles in the Coles Ethical Sourcing Policy and as set out in their Trading Agreement with Coles'. [Ethical Sourcing Policy, 09/2018: colesgroup.com.au] • Met: Requiring AG suppliers to communicate policy down the chain: The requirements for suppliers include the following: 'suppliers must have adequate policies and processes in place for properly managing subcontracting, to ensure that sub-contractors operate in accordance with applicable laws, regulations and the Coles Ethical Sourcing Policy'. [Ethical sourcing supplier requirements - final, 09/2018: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: How HR commitments made binding/contractual: As indicated above, policy and requirements document for suppliers 'all suppliers are required to agree to the principles outlined in the Coles Ethical Sourcing Policy as outlined in their Trading Agreement with Coles. If suppliers are unable to demonstrate a commitment to comply with the Coles Ethical Sourcing Policy, Coles reserves the right to terminate the Trading Agreement'. [Ethical sourcing supplier requirements - final, 09/2018: colesgroup.com.au] • Met: Including on AG suppliers: The sourcing requirements indicate that 'there must be no sub-contracting unless documented and available for review by Coles or an independent auditor, including but not limited to records of subcontractors' names and locations. In addition to have policies and processes to ensure sub-contractors operate in accordance with Coles policies, 'direct Coles suppliers must ensure that sub-contracted and indirect supplier sites are registered and connected via the direct supplier to Coles on Sedex, and visibility of the site details and ethical information made available to Coles. If sub-contracted or in-direct supplier sites are rated at Medium or High Risk, Coles reserves the right to request Audits from these sites and apply the Coles supplier site assessment and approval process'. [Ethical sourcing supplier requirements - final, 09/2018: colesgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.5	Training on Human Rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Scores at least 1 on A.1.2: See indicator A.1.2 • Not met: Trains all workers on HR policy commitments: The Company provided sources to CHRB, however, no evidence found of all Coles employees being trained on human rights. • Met: Trains relevant AG managers including procurement: The Company indicates on its website that 'We keep our buying and sourcing teams up-to-date on our ethical sourcing and human rights commitments and how their actions may impact workers' rights. We aggregate the findings from our audit program and feed these into our internal training to ensure that our teams understand ethical sourcing and human rights relevant to their category'. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Both requirements under score 1 met
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Scores at least 1 on A.1.2: See indicator A.1.2 • Not met: Monitoring implementation of HR policy commitments • Met: Monitoring AG suppliers: The Company indicates on its website, 'Ethical Sourcing', the following: 'To monitor compliance with the Ethical Sourcing Policy, we require all Coles Brand, fresh produce and meat direct supplier sites to register on Sedex. [...] Sedex requires suppliers to complete a comprehensive risk assessment following which they are rated as low, medium or high risk. Medium and high-risk sites are required to be audited by an independent external provider with major nonconformances closed out.[...] Coles also undertakes direct audits to confirm risk assessments, randomly verify independent audit outcomes and respond to specific issues.' [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Met: Describes corrective action process: The Company describes its corrective action process: 'Where major or critical non-conformances with our Ethical Sourcing Policy is identified through the independent audits, the supplier is required to remediate the issue within an appropriate period depending on the nature and severity of the nonconformance. [...] Suppliers are 'conditionally approved' if non-critical non-conformances have been identified and notice has been given that they must be remedied through auditor verified corrective action plans. If a supplier then addresses the non- conformance, it is deemed to be an 'approved' supplier site. To support suppliers to remedy non-conformances, we have designed specific remediation processes for critical nonconformances such as child labour, forced and/or bonded labour, and major supplier issues such as workers' wages and benefits. [...] If a supplier site is not willing to address a critical nonconformance, Coles will suspend supply and reserve the right to terminate the trading agreement.' In addition, in 2018 Westfarmers Modern Slavery Statement, which describes the steps taken by Wesfarmers and all its wholly owned subsidiary businesses and divisions during the financial year ending 30 June 2018 (period of time when Coles was a part of Westfarmers group), the Company reports: 'During the year, we identified 114 critical breaches across 82 factories in our audit program. The major critical breaches identified included excessive overtime (37 per cent), transparency (16 per cent), safety (12 per cent), unpaid wages (11 per cent) and unauthorised subcontracting (10 per cent).' [2018 Modern Slavery Statement, Sep 2018: sustainability.wesfarmers.com.au & Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] • Met: Example of corrective action: Also in 2018 Westfarmers Modern Slavery Statement, which describes the steps taken by Wesfarmers and all its wholly owned subsidiary businesses and divisions during the financial year ending 30 June 2018 (period of time when Coles was a part of Westfarmers group), the Company reports: 'We were able to remedy 43 of these issues immediately, 50 had action plans that were on track at the end of the reporting period, one was exited immediately and no further supply orders were placed at the remaining 20.' [2018 Modern Slavery Statement, Sep 2018: sustainability.wesfarmers.com.au] • Met: Discloses % of AG supply chain monitored: The Company states that as of February 2019, '97 per cent of all direct suppliers were registered on Sedex and monitored under our ethical sourcing program'. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.7	Engaging business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: HR affects AG selection of suppliers: The supplier requirements include the following statement in relation to supplier approval: 'Supply to Coles can only commence once the Supplier is approved under the Ethical Sourcing Policy'. [Ethical sourcing supplier requirements - final, 09/2018: colesgroup.com.au] • Met: HR affects on-going AG supplier relationships: The supplier approval section of the ethical requirements also state that 'supply to Coles will cease if the Supplier does not comply with these Ethical Sourcing Supplier Requirements and is classified by Coles as Not Approved'. The ethical sourcing website of the Company also indicates that 'If a supplier site is not willing to address a critical non-conformance, Coles will suspend supply and reserve the right to terminate the trading agreement.' [Ethical sourcing supplier requirements - final, 09/2018: colesgroup.com.au & Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirement under score 1 met: See above • Met: Working with AG suppliers to improve performance: In relation to engagement and capacity building, the Company indicates that 'To drive continuous improvement across our supply chains we have a multi-stakeholder engagement approach to human rights due diligence that includes supplier capacity building and investment in supplier training. During 2018, we held training sessions in Australian rural and regional areas to help our suppliers understand their ethical sourcing obligations [...]'. It also indicates that it formed the 'Coles Agronomy Group with approximately 20 growers volunteering their time to work together with Coles to address industry challenges around labour practices in the fresh produce industry, varietal development, sustainable farm practices and water use.' [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au]
B.1.8	Approach to engagement with potentially affected stakeholders	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Stakeholder process or systems: The Company indicates on its website that 'to drive continuous improvement across our supply chains we have a multi-stakeholder engagement approach to human rights due diligence that includes supplier capacity building'. Also on its website and in the 2018 Wesfarmers Sustainability Report (which includes Coles activities for fiscal year 2018) the Company includes examples of engagement with suppliers, agricultures, employees, unions, retailers, industry associations, non-government organisations and third-party audit firms. However, no evidence found on the process to identify the relevant affected stakeholders to engage. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au & Westfarmers - Sustainability Report 2018, 2019: sustainability.wesfarmers.com.au] • Met: Frequency and triggers for engagement: As indicated below, the Company engages with workers in supply chain during factory visits (trigger is the audit) and the frequency is regular, considering that the supply chain audit is an ongoing process. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au & 2018 Modern Slavery Statement, Sep 2018: sustainability.wesfarmers.com.au] • Met: Workers in AG SC engaged: In 2018 Wesfarmers Modern Slavery Statement (which includes Coles activities in fiscal year 2017/2018), it is indicated the following: 'Our businesses regularly engage with workers in tier-one factories in our supply chain through factory visits (both announced and unannounced), our audit program and our grievance mechanisms. Through these engagements, we seek feedback on how well the policies and procedures outlined in Table 2 work in practice. For example: Coles' Agronomy Group was active during the year, with approximately 20 growers volunteering their time to work together with Coles to address industry challenges around varietal development, sustainable farm practices, water use and labour practices in the fresh produce industry.' [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au & 2018 Modern Slavery Statement, Sep 2018: sustainability.wesfarmers.com.au] • Not met: Communities in the AG SC engaged <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Identifying risks in own operations: On its website, the Company indicates: 'Coles was the first major Australian supermarket to adopt the Supplier Ethical Data Exchange (Sedex), a global ethical supply chain management platform, in 2016. Sedex facilitates risk assessments, and information and social compliance audit sharing across its platform. [...] we require all Coles Brand, fresh produce and meat direct supplier sites to register on Sedex'. The Company points out to the Sedex website where Sedex explains risk identification and how it is made. However, no description found of the Company itself on its process for risk identification on its own operations. In addition, in 2018 Westfarmers Modern Slavery Statement (which includes Coles activities) indicates: 'With the exception of Australia and New Zealand, global risk and strategic consulting firm Verisk Maplecroft classify these countries as 'high' or 'extreme risk' for human rights risks.' However, the system is focused only in the supply chain and it is not clear how the Company identifies risks in own operations. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au & 2018 Modern Slavery Statement, Sep 2018: sustainability.wesfarmers.com.au] • Not met: Identifying risks in AG suppliers: See above. Although 'Sedex Risk Assessment Tool gives you a clear indication of the likelihood of risks occurring in your supply chain', the interpretation of the results it is up to the Company, however no evidence found of a system to systematically identify which are the risks and impacts that it faces. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances • Not met: Explains use of HRIAs or ESIA (inc HR)
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context): On its website, the Company indicates that it adopted 'the Supplier Ethical Data Exchange (Sedex), a global ethical supply chain management platform, in 2016. Sedex facilitates risk assessments, and information and social compliance audit sharing across its platform. [...] we require all Coles Brand, fresh produce and meat direct supplier sites to register on Sedex.' The Company points out to Sedex website where it is indicated Sedex's system to identify and assess risks in supply chains. However, no description found on the process the Company actually follows to assess which are its salient human rights risks. In addition, in 2018 Westfarmers Modern Slavery Statement (which includes Coles activities) indicates: 'With the exception of Australia and New Zealand, global risk and strategic consulting firm Verisk Maplecroft classify these countries as 'high' or 'extreme risk' for human rights risks.' However, although it describes how it takes geographical factors into account, no details given on specific salient issues that came out from the assessment. [2018 Modern Slavery Statement, Sep 2018: sustainability.wesfarmers.com.au & Sedex website - Risk Assessment Tool, Jul 2019: sedexglobal.com] • Not met: Public disclosure of salient risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks: Although the Company has developed and implemented different measures to monitor and set rules in relation to human rights issues, such as its Ethical Sourcing Policy, Requirements and Toolkit, CHRB could not find information describing a global system or Action Plan to specifically address the different salient human rights issues that it faces. [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] • Not met: Including in AG supply chain • Met: Example of Actions decided: On its website, the Company indicates: 'Coles understands that third-party labour hire organisations provide an essential service to Coles' suppliers, however they can also introduce human rights and workplace compliance risks into these supply chains. To help suppliers and the recruitment and staffing industry to reduce risk, Coles has supported the development of the

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>StaffSure labour hire certification program. StaffSure is an independent industry-led certification program that assesses labour hire providers against six key risk elements: 1. Fit and proper persons own and run the labour hire business; 2. Fair remuneration to ensure workers receive legal employment entitlements; 3. Financial assurance to operate the labour hire business sustainably; 4. Safe work for all workers; 5. Immigration and visa laws are complied with; and 6. Accommodation supplied by employers or clients is suitable and rent is fair. Suppliers can find StaffSure certified labour providers through an online registry. In addition to supporting the development of the StaffSure program, Coles has developed a Third-party Labour Provider Guidance for our suppliers. This tool is available for all Coles' suppliers and outlines practical advice for managing labour hire, including detailing what good and best practice looks like to support suppliers on their continuous improvement journey.' [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: System to check if Actions are effective: In 2018 Westfarmers Modern Slavery Statement (which includes Coles activities during fiscal year 2017/2018), it is indicated that: 'We measure Wesfarmers businesses' performance in respect of ethical and sustainable practices through a number of mechanisms including: Ethical sourcing audit programs [...]; Training and capacity building [...]; Effectiveness of complaints or grievance mechanisms [...]; Stakeholder engagement[...]'. However, as CHRB could not find information about salient human rights issues identified, assessed and an Action Plan to face this issues, it is not clear whether the indicators are useful to track the effectiveness of actions implemented. [2018 Modern Slavery Statement, Sep 2018: sustainability.wesfarmers.com.au] • Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks: See indicator B.2.1 • Not met: Comms plan re assessing risks: See indicator B.2.2 • Not met: Comms plan re action plans for risks: See indicator B.2.3 • Not met: Comms plan re reviewing action plans: See indicator B.2.4 • Not met: Including AG suppliers: See indicators B.2.1 - B.2.4 <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications: Although the Company indicates that the ethical sourcing policy in Mandarin and Vietnamese, no evidence found of how the company responded to specific human rights concerns raised by or on behalf of affected stakeholders, and how the company ensured that they were able to access these communications.

C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Channel accessible to all workers: The Whistleblowing Policy indicates: 'Coles has both informal and formal ways in which concerns can be raised depending on your circumstances and the level of seriousness of the issue.[...] You may report a matter directly to any of the following Coles Protected Disclosure Officers: [...] You can report a matter to Stopline by calling or emailing. Stopline is an independent and confidential reporting line that is run by an independent company. Team members, suppliers, contractors, suppliers, employees of contractors and anyone covered by this Policy may use Stopline to report Potential Misconduct. The Company considers potential misconduct, among other issues, the breach of 'Coles Code of Conduct or other policies or procedures'. [Whistleblowing Policy, Jun 2019: colesgroup.com.au & STOPline website: stopline.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Not met: Channel is available in all appropriate languages: Evidence not found for the Company's own operations. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au & Poster - Hotline, Jul 2019: colesgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Opens own system to AG supplier workers: The Company indicates that in 2015 it established 'the confidential Coles' Wages and Conditions Hotline for workers in our supply chain including farms, factories and service providers'. It provides a telephone number in Australia, and an email address for workers for whom English is not a first language. It also indicates that 'posters promoting the Coles Wages and Conditions Hotline services are available in three different languages. They have been sent to all Coles Own Brand fresh produce and meat processing sites for display in tea rooms and communal areas'. [Poster - Hotline, Jul 2019: colesgroup.com.au & Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Grievance mechanism for community: The Whistleblowing Policy indicates: 'You can report a matter to Stopline by calling or emailing. Stopline is an independent and confidential reporting line that is run by an independent company. Team members, suppliers, contractors, suppliers, employees of contractors and anyone covered by this Policy may use Stopline to report Potential Misconduct.' Potential misconduct includes breaches of the code of conduct or other policies and procedures, conducts that 'may cause financial loss to Coles or damage its reputation or be otherwise detrimental to Coles interests; or concerns any other kind of serious misconduct or an improper state of affairs or circumstances'. The stopline website also describes that allows complaints from workers and other stakeholders. [Whistleblowing Policy, Jun 2019: colesgroup.com.au & STOPline website: stopline.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects AG supplier to have community grievance systems • Not met: AG supplier communities use global system: No evidence found of the hotline for workers in the supply chain being open for the suppliers' external stakeholders. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au]
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages users to create or assess system: The Company provided different sources to CHRB. However, none of them were material to this indicator. • Not met: Description of how they do this <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AG suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Response timescales • Not met: How complainants will be informed <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level: In its Ethical Sourcing website, the Company indicates: 'Coles commits to investigating all reported matters. Part of this process involves a risk assessment to determine the risk of harm to people. If the risk of harm is determined to be high, the matter is immediately passed on to the relevant authorities.' However, CHRB could not find further information describing how complaints may be escalated to more senior levels of the Company or independent parties. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au]
C.5	Commitment to non-retaliation over complaints or concerns made	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public statement prohibiting retaliation: In relation to whistleblower protection, the Code indicates that 'Coles is committed to ensuring that you are not disadvantaged or discriminated against for reporting unacceptable behaviour in good faith'. On the website it also indicates that 'Coles seeks to encourage and environment in which any team member, contractor, supplier or third party who makes a report shall do so without fear of intimidation, disadvantage or reprisal'. [Code of conduct, 10/2018: colesgroup.com.au & Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] • Not met: Practical measures to prevent retaliation: Although the Company indicates in its code of conduct that 'Coles is committed to ensuring that you are not disadvantaged or discriminated against for reporting unacceptable behaviour in good faith', no details found in relation to practical measures. [Code of conduct, 10/2018: colesgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects AG suppliers to prohibit retaliation: Although the Company includes in its Ethical Sourcing - Ethical Trade Initiative (ETI) Base Code that suppliers have to ensure 'that mechanisms exist to enable workers in its supply chain to report confidentially and without detriment any failure to observe the Base Code and to deal with such complaints.' The prohibition of retaliation is included as a best practice in the Continuous Improvement Supplier Guide and not as a requirement: 'Best practice extends further to the establishment of grievance channels available to all workers, allowing for anonymity and a zero-tolerance approach to retaliation.' [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au]
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Won't impede state based mechanisms: The Company has provided sources to CHRB for this indicator. However, these were not material. • Not met: Complainants not asked to waive rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Says how it would remedy key sector risks: The Company has developed different Remediation Programs related with: Wages and Benefits, Child Labour and Forced and Bonded Labour. In its Ethical Sourcing - Supplier Requirements it describes the Remediation Steps that the supplier must take to remedy their non-compliance in order to keep working with the Company. For instance, the Remediation Steps related with Wages and Benefits include the following: '[...] The employer should communicate to the workers that the underpayment has taken place and workers will receive appropriate back-payment. This document should be made available for auditor review. 5.4. The employer should pay the owed amount to the affected workers within a reasonable time period, to be agreed with Coles. [...] 5.7. If in Coles' view the supplier does not take the appropriate steps to remedy the underpayment of wages and benefits within a reasonable time, supply to Coles will be immediately suspended, and Coles may terminate the supply agreement and notify the Fair Work Ombudsman.' [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Living wage in supplier code or contracts: The 'Ethical sourcing policy' and its Ethical Sourcing - Ethical Trade Initiative (ETI) Base Code states that 'wages and benefits paid for a standard working week must meet as a minimum national or industry standards, whichever is the higher. In any event, wages should always be enough to meet basic needs and to provide some discretionary income'. However, it is not clear if this level of income allows needs of family and/or dependents. [Ethical Sourcing Policy, 09/2018: colesgroup.com.au & Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] • Not met: Improving living wage practices of suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Avoids business model pressure on HRs (purchasing practices): The Company indicates on its website that: 'We keep our buying and sourcing teams up-to-date on our ethical sourcing and human rights commitments and how their actions may impact workers' rights. We aggregate the findings from our audit program and feed these into our internal training to ensure that our teams understand ethical sourcing and human rights relevant to their category.' However, no evidence found of the Company describing the practices that it adopts to avoid price or short notice requirements or other business considerations undermining human rights. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] • Not met: Positive incentives to respect human rights (purchasing practices): In its Ethical Sourcing documents, the Company discloses some benefits of being a Supplier 'B' Membership, which means that the supplier is a member of Sedex and adhere with the approval processes outlined in the document: ' Lower admin burden and reduce the loss of production time. Reduce reputational risk. Helps reduce the number of ethical audits as members can share information with multiple customers.[...] Efficient and cost effective way of sharing ethical information with multiple customers.' However, the benefits are incentives to register in SEDEX and not necessarily in relation to Positive incentives from the company for respecting human rights. [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
D.1.3	Mapping and disclosing the supply chain	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifies suppliers back to manufacturing sites (factories or fields): In its website section 'Ethical Sourcing', the Company indicates: 'To monitor compliance with the Ethical Sourcing Policy, we require all Coles Brand, fresh produce and meat direct supplier sites to register on Sedex. [...] As of February 2019, 97 per cent of all direct suppliers were registered on Sedex and monitored under our ethical sourcing program. [...] As our supply base is dynamic, we are unlikely to achieve 100 per cent registration at any one time. [...] Across our supply chains we engage with more than 750 Coles Brand, fresh produce and meat suppliers, operating at over 2,200 sites and located in more than 40 countries.' The Company discloses 'Seasonal Charts' of fruits and vegetables where consumers can see from which countries come each fruit or vegetables during the year. The Company also sells, in some Coles Supermarkets its own brand apparel range – Mix and it discloses an apparel supplier list in its website. With respect indirect suppliers, in its Supplier Requirements, the Company indicates: 'There must be no sub-contracting unless documented and available for review by Coles or an independent auditor, including but not limited to records of subcontractors' names and locations.' [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au & Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Discloses significant parts of SP and why: The Company discloses its apparel supplier list. However, CHRB could not find a supplier list of agricultural products. [Cole apparel suppliers, Jul 2019 & Seasonal Chart: Fruit, Jul 2019: coles.com.au]
D.1.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Child Labour rules in codes or contracts: The Company includes child labour requirements for suppliers, including not to use child labour and be able to verify the age of all employees to ensure no child labour is used. In addition, the Company has a 'Child Labour Remediation Requirements' document, which indicates: 'This Supplier Requirement outlines Coles' expectations in regard to remediating any identified instances of Child Labour. Suppliers to Coles must develop or participate in remediation plans which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.' [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: How working with suppliers on child labour: On its website section 'Ethical Sourcing', the Company indicates: 'To support suppliers to remedy non-conformances, we have designed specific remediation processes for critical non-conformances such as child labour, forced and/or bonded labour, and major supplier issues such as workers' wages and benefits. Our audit process is contributing to remediating supplier non-conformance and improving conditions for workers by working with suppliers to address the root cause of the issue.' However, no evidence found describing proactive actions where the Company works with suppliers to improve Child Labour matters. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Debt and fees rules in codes or contracts: Requirements for suppliers include that 'workers must not be required to lodge deposits or identity papers with suppliers'. Requirements also indicate that 'deductions from wages for disciplinary measures are not permitted', and that 'deductions from wages may only occur with the express written permission of the worker concerned'. In addition, the Company has a 'Forced/Bonded Labour Remediation Requirements' document, which indicates: 'Under this Policy, Coles considers Forced / Bonded labour as a critical Supplier issue. This Supplier Requirement outlines Coles' expectations in regard to remediating any identified instances of Forced / Bonded labour.' As an example of remediation requirements: 'The supplier is responsible for taking preventative measures to remove the risk of bonded labour. This may include not using recruitment agents who charge workers fees, directly undertaking or paying an agent directly the cost for recruitment of workers and the direct employment of workers.' [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] • Met: How working with suppliers on debt & fees: In the context of human rights and workplace risk related to the use of recruitment agencies by suppliers, the Company indicates that has supported the development of the 'StaffSure labour hire certification program'. Staffsure is a certification programme that assesses labour hire providers. The Company indicates that 'Coles has developed a Third-party Labour Provider Guidance for our suppliers. This tool is available for all Coles' suppliers and outlines practical advice for managing labour hire, including detailing what good and best practice looks like to support suppliers on their continuous improvement journey'. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirements under score 1 met: See above • Not met: Analysis of trends in progress made
D.1.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Free movement rules in codes or contracts: Supplier requirements explicitly state that 'workers must not be required to lodge deposits or identity papers with suppliers' and 'workers must be free to leave reasonable notice, not more than 1 month, has been given'. In addition, the Company has a 'Forced/Bonded Labour Remediation Requirements' document, which indicates: 'Under this Policy, Coles considers Forced / Bonded labour as a critical Supplier issue. This Supplier Requirement outlines Coles' expectations in regard to remediating any identified instances of Forced / Bonded labour.' As an example of remediation requirements: 'The supplier should communicate to the workers that they are responsible for their own passports and any other identification documents and visa documents.' [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How working with suppliers on free movement • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.6.b	Freedom of association and collective bargaining (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: FoA & CB rules in codes or contracts: Supplier requirements include commitment to freedom of association and collective bargaining. They also state that 'suppliers are required to adopt an open attitude towards the activities of trade unions and their organisation activities'. Commitment against discrimination explicitly includes union membership. [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] • Not met: How working with suppliers on FoA and CB: In 2019, Coles Group committed to work co-operatively with the Transport Workers' Union, the Australian Workers' Union and the Shop, Distributive and Allied Employees Association to protect the rights of workers in its local fresh produce and meat supply chains. Its aim is to work with these three unions who represent workers from across transport, farm and retail to uphold freedom of association, improve health and safety standards and promote better transparency and end-to-end compliance within our supply chains. No evidence found, however, on how suppliers are directly involved in the process, working with the Company to improve their practices in relation to freedom of association and collective bargaining. [Unions, Coles unite to address exploitation in the industry, May 2019: tandlnews.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress
D.1.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Sets out clear Health and Safety requirements: The Company includes seven different requirements regarding safety working conditions in its ethical sourcing requirements. In addition, the 'Ethical Sourcing Policy, Supplier Requirements and Tools binder' includes a supplier guidance on health and safety. [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] • Not met: Injury Rate disclosures: Westfarmers Sustainability Report 2018 - Data includes Coles' health and safety indicators, such as Lost time injury frequency rate (2018: 8,6), total recordable injury frequency rate (2018: 33,3). However, the figures do not cover suppliers' workers. [Data - Westfarmers Sustainability Report 2018, 2018: sustainability.westfarmers.com.au] • Not met: Lost days or near miss disclosures: See above [Data - Westfarmers Sustainability Report 2018, 2018: sustainability.westfarmers.com.au] • Not met: Fatalities disclosure <p>Score 2</p> <ul style="list-style-type: none"> • Met: How working with suppliers on H&S: In the context of capacity building measures, the Company indicates that suppliers can access to on-line tools and guidance in relation to manage human rights risks, including, among others, safety instructions and training checklist, worker accommodation guidelines, hazards checklists, etc. [Coles group ethical sourcing, 26/02/2019: colesgroup.com.au] • Not met: Provides analysis of trends demonstrating progress
D.1.8.b	Land rights: Land acquisition (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Rules on land & owners in codes or contracts: Although the Company indicates in its website section 'Ethical Sourcing' that its 'Ethical Sourcing Policy also states that suppliers must comply with local and national environmental laws and regulations and use reasonable endeavours to comply with international standards on environmental protection. To meet this indicator specific land guidelines (including the requirement to have a process to identify legitimate tenure rights holders when acquiring, leasing or making other arrangements to use) in its supplier code are needed. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au & Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au] • Not met: How working with suppliers on land issues <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress
D.1.9.b	Water and sanitation (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Rules on water stewardship in codes or contracts: Evidence found only related to the context of safe working conditions, in which water and sanitation refer to toilet facilities and drinking water in the workplace: '3.1 Workers must have easy access to an adequate supply of clean water;

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>3.2 The quality of water is to be regularly monitored and must comply with local standard requirements;</p> <p>3.3 Tanks used for the storage of water should be covered to prevent stored water from being contaminated.' However, the requirements do not cover access to water outside the workplace. [Ethical Sourcing - Policy, Supplier Requirements and Tools, Feb 2019: colesgroup.com.au]</p> <ul style="list-style-type: none"> • Met: How working with suppliers on water stewardship issues: On its website, the Company indicates reports on helping suppliers in relation to droughts risks: 'Coles launched the \$50 million Nurture Fund in April 2015 to help small businesses innovate and grow. In 2018, Coles established a dedicated round of funding for drought relief. Five million dollars were allocated in Round Six of the Coles Nurture Fund to help farmers undertake projects which would help them to combat drought in the long term.' Some of the recipients will use the money to improve its water use, for example: 'Masalki Grahamvale, Victoria Pear growers and packers: Masalki will use a \$400,000 grant to regulate the humidity in their fruit cool rooms, reducing water use by up to 80 per cent in their packing shed.' [Coles Nurture Fund, Jul 2019: coles.com.au & CNF: Round 6 recipients, Jul 2019: coles.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress
D.1.10.b	Women's rights (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Women's rights in codes or contracts: Its Ethical Sourcing Policy states: 'There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, [...], gender, [...] or political affiliation' [...] 'All suppliers are required to agree to the principles in the Coles Ethical Sourcing Policy and as set out in their Trading Agreement with Coles.' However, there is no specific mention to equal pay for equal work provision or to measures to ensure equal opportunities throughout all levels of employment and to eliminate health and safety concerns that are particularly prevalent among women. [Ethical Sourcing Policy, 09/2018: colesgroup.com.au] • Not met: How working with suppliers on women's rights: In its Ethical Sourcing - Guidance, the Company indicates some practices considered good or the best practices with respect the no-discrimination provision: '2.1.1. Good practice looks like policies the prohibit discrimination are readily available to all workers. 2.1.2. Good practice looks like establishing selection criteria for all human resource decisions, to ensure they are objective and transparent, and controls are in place to prevent subjective decisions. 2.1.3. Best practice extends further to training staff members responsible for hiring, paying, training, promoting, disciplining and terminating workers to avoid discrimination in the exercise of their duties. 2.1.4. Best practice extends further to include establishing specific and measurable targets for achieving equality between women and men are set and affirmative action is taken to attain them.' The Company also indicates: 'This guidance document is provided for informational purposes only and outlines practical steps suppliers can take to meet Coles' Ethical Sourcing standards. These guidelines [...] comprise the foundational elements of what is generally advisable to reach mandatory requirements and to progress toward good and best practice.' In addition, in its website section Ethical Sourcing, the Company indicates: 'In addition to the guidance provided through Ethical Sourcing Policy and Ethical Sourcing Supplier Requirements Tools binder, suppliers can access a range of Coles' supplier on-line tools and guidance to build their capacity to manage human rights risks including: Continuous Improvement supplier guidance; [...]' However, CHRB could not find information describing proactive actions where the Company works with suppliers to improve Women's rights matters. [Ethical Sourcing - Human Rights, Jul 2019: colesgroup.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress

E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of 23.11 out of 80 points scored in themes A-D & F has been applied to produce a score of 5.78 out of 20 points for theme E.

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	2.29 out of 4	Out of a total of 42 indicators assessed under sections A-D of the benchmark, Coles made data public that met one or more elements of the methodology in 24 cases, leading to a disclosure score of 2.29 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> • Met: Company reports on GRI: Westfarmers Sustainability Report 2018, which includes Coles activities during fiscal year 2017/2018 is in accordance with GRI Standards. [GRI Index - Westfarmers Sustainability Report 2018, 2018: sustainability.westfarmers.com.au] • Not met: Company reports on SASB • Not met: Company reports on UNGPRF
F.3	Key, High Quality Disclosures	0 out of 4	Coles met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly <ul style="list-style-type: none"> • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus <ul style="list-style-type: none"> • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2019 Key Findings report and technical annex for more details of the research process.

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and Wales.

As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.