



# Canned Tuna Brands - Questions on Human Rights in Pacific Tuna Fishing Operations and Supply Chains (2018/19)

\*The term 'modern slavery' used in this survey is taken to include forced labour, slavery, human trafficking, servitude, bonded and child labour.

**Company:** Coles Group

## Human Rights Policy

1. Has your company made a public commitment to respect **human rights**? If so, please provide a link.

Yes – see <https://www.colesgroup.com.au/sustainability/?page=ethical-sourcing>

Coles Group is committed to the fair treatment of all workers in our supply chains.

Coles Supermarkets engages with more than 750 Coles Own Brand suppliers, operating at over 2,200 sites and located in more than 40 countries. We acknowledge the importance of safeguarding human rights through ethical business practices within this supply chain.

2. If yes, does the company's commitment address **modern slavery**\* and does it apply throughout your supply chains? Please provide details.

Yes.

Our Ethical Sourcing Policy and Ethical Sourcing Supplier Requirements cover a range of key labour indicators including wages and benefits, working hours, freedom of association, safe working conditions, discrimination, forced or bonded labour, child labour and illegal labour.

The Policy applies to all suppliers providing Coles Own Brand products, fresh produce and meat sold in Coles supermarkets.

Proprietary brand suppliers agree to meet the Policy as part of their contract terms and conditions.

Reference: <https://www.colesgroup.com.au/sustainability/?page=ethical-sourcing>

3. Does the company have a responsible sourcing or **supplier code of conduct** that prohibits modern slavery? Please provide details.

Yes. The Coles Ethical Sourcing Policy and Supplier Requirements apply to all Coles Own Brand product suppliers, and specifically address modern slavery indicators including forced or bonded labour, child labour and illegal labour. The Policy and Supplier Requirements are supported by a comprehensive compliance program for all supplier sites, including processing and manufacturing sites.

Coles Group Ethical Sourcing Policy -

[https://www.colesgroup.com.au/FormBuilder/\\_Resource/\\_module/ir5sKeTxxEOndzdh00hWJw/file/Ethical-Sourcing-Policy.pdf](https://www.colesgroup.com.au/FormBuilder/_Resource/_module/ir5sKeTxxEOndzdh00hWJw/file/Ethical-Sourcing-Policy.pdf)

Coles Group Ethical Sourcing Supplier Requirements –

[https://www.colesgroup.com.au/FormBuilder/\\_Resource/\\_module/ir5sKeTxxEOndzdh00hWJw/file/Coles-Ethical-Sourcing-Supplier-Requirements.pdf](https://www.colesgroup.com.au/FormBuilder/_Resource/_module/ir5sKeTxxEOndzdh00hWJw/file/Coles-Ethical-Sourcing-Supplier-Requirements.pdf)

We currently source tuna for our canned products from F.C.F. Fishery Co., Ltd (FCF), who supplies fully traceable tuna to the two plants that process and can Coles Own Brand tuna. FCF's social accountability code of conduct is publically available -

[http://www.fcf.com.tw/wp-content/uploads/2015/04/SA-code-of-conduct-draft-4-1206\\_2016.pdf](http://www.fcf.com.tw/wp-content/uploads/2015/04/SA-code-of-conduct-draft-4-1206_2016.pdf)

## Human Rights Due Diligence Process

4. Has your company **mapped** its tuna supply chains, in whole or part?

Since 2015, all Coles Own Brand seafood has been responsibly sourced; this means our seafood supply chains are traceable and seafood only comes from fisheries and aquaculture farms that have been independently assessed. As part of our Responsibly Sourced Seafood program, we have undertaken independent assessments of hundreds of wild and farmed seafood products to meet robust Coles Own Brand responsible sourcing requirements.

Our Coles Own Brand canned Skipjack and Yellowfin tuna are responsibly sourced, which means the following conditions are met:

- Fish stocks: The fish stock where Coles Brand Skipjack and Yellowfin tuna are caught have been independently assessed as part of our Coles Responsibly Sourced Seafood Program.
- Reduced by-catch: Coles Brand Skipjack and Yellowfin tuna are caught without the use of fish aggregating devices (FADs), which are essentially rafts that attract fish. This results in less by-catch.
- Traceability: Coles Brand Skipjack and Yellowfin canned tuna can be traced back to the approved fishing boat that caught the tuna as well as the boat that transported it to the cannery.
- Independent observers: Boats that catch Coles Brand Skipjack and Yellowfin tuna have independent observers on board to ensure robust data is available to help manage the fishery and monitor compliance with conservation measures specified by the Western and Central Pacific Fisheries Commission.

Reference: <https://www.colesgroup.com.au/sustainability/?page=responsible-sourcing>

#### 5. Does the company source tuna from the **Pacific** region?

Yes. Our Pacific tuna supply partner, FCF, whom supplies to Coles only tuna fishing boats and carriers which operate under FCF's Sustainability Program (FSP). Coles Brand Skipjack and Yellowfin canned tuna can be traced back to the approved fishing boat that caught the tuna as well as the boat that transported it to the cannery. FCF publishes its FSP approved Carrier and Fishing Vessel List on its website. Reference: <http://www.fcf.com.tw/wp-content/uploads/2018/05/FCF-associated-carrier-vessels-for-FCF-Sustainability-Program-website.pdf>

6. Does your company have a **human rights due diligence** policy, process or procedure to identify, assess and manage human rights risks (actual or potential), including modern slavery, in its operations (and those of its subsidiaries) and supply chains?

Yes. The Coles Ethical Sourcing Policy and Supplier Requirements apply to all Coles Own Brand product suppliers. The Policy and Supplier Requirements are supported by a comprehensive risk assessment and compliance program for all supplier sites that directly supply Coles Own Brand products, meat and fresh produce.

If so, please provide details and describe the human rights due diligence process. **Key steps include:** (i) *identifying* and assessing human rights impacts; (ii) *integrating* and *acting on* findings; (iii) *tracking* the effectiveness of the company's response; and (iv) *communicating externally* about how the company is addressing its human rights impacts.

Coles was the first major Australian supermarket to adopt the Supplier Ethical Data Exchange (Sedex), a global ethical supply chain management platform for all suppliers and sites in 2016.

To monitor compliance with the Ethical Sourcing Policy and Supplier Requirements, we require all Coles Own Brand, fresh produce and meat direct supplier sites to register on Sedex and complete a comprehensive risk assessment. Direct supplier sites include manufacturing sites for finished products, as well as those that process (or harvest) and pack to supply directly to Coles.

As a result of the risk assessment, suppliers are rated as low, medium or high risk, with medium and high-risk sites required to be audited by an independent, external provider. Audit timeframes are specified by Coles and vary depending on peak times for each industry. For example, fresh produce audits would take place during harvest season when workers are on site.

These requirements provide Coles with increased visibility of its suppliers' employment practices and enable us to proactively monitor ethical sourcing risks and compliance with the Coles Ethical Sourcing Policy.

Coles also undertakes our own audits to confirm risk assessments, randomly check audit outcomes and respond to specific issues. We use qualified independent social auditors for these direct audits.

Reference: <https://www.colesgroup.com.au/sustainability/?page=ethical-sourcing>

7. Has the company taken **practical action** to ensure that modern slavery does not occur in the company's (or its subsidiaries') operations and supply chains for tuna procurement from the Pacific? If so, please describe.

Coles sources canned Pacific tuna directly from two processing facilities in Thailand, as per our Ethical Sourcing Supplier Requirements, both of these facilities have:

- i) Registered on the Supplier Ethical Data Exchange (Sedex) and provided Coles with full visibility of their information;
- ii) Completed the comprehensive Self-Assessment Questionnaire (SAQ), which helps identify the likelihood of risk;
- iii) Undergone a recent independent ethical audit (SMETA 4 pillar);
- iv) Implemented a Corrective Action Plan (CAP) as a result of the audits, to remedy the non-conformances. A follow-up audit will take place in 2019 to verify that non-conformances have been resolved; and
- v) Been recently visited by the Coles Quality team to verify the results of the independent audit and monitor the progress of the CAP.

Further to the safeguards established by the Coles Group Ethical Sourcing Policy and Supplier Requirements, our Pacific tuna supply partner FCF (which supplies fully traceable tuna to the two plants that process and can Coles Own Brand tuna), has established a social accountability code of conduct.

[http://www.fcf.com.tw/wp-content/uploads/2015/04/SA-code-of-conduct-draft-4-1206\\_2016.pdf](http://www.fcf.com.tw/wp-content/uploads/2015/04/SA-code-of-conduct-draft-4-1206_2016.pdf)

To implement the social accountability code of conduct across the fleet of fishing vessels supplying Coles Own Brand tuna, partners with independent parties to verify the vessels for compliance in FCF's social program. FCF is also a member of the Seafood Task Force working closely with a range of stakeholders to address social and environmental issues.

FCF chooses to only work with carrier companies and vessels that adhere to its policies and industry best practices. Coles Own Brand Skipjack and Yellowfin canned tuna can be traced back to the approved fishing boat that caught the tuna as well as the boat that transported it to the cannery.

Boats that catch Coles Own Brand Skipjack and Yellowfin tuna have independent observers on board to ensure robust data is available to help manage the fishery and monitor compliance with conservation measures specified by the Western and Central Pacific Fisheries Commission.

Reference: <https://www.colesgroup.com.au/sustainability/?page=responsible-sourcing>

FCF publishes their approved Carrier Vessel List on its website.

Reference: <http://www.fcf.com.tw/wp-content/uploads/2018/05/FCF-associated-carrier-vessels-for-FCF-Sustainability-Program-website.pdf>

Coles Group Ethical Sourcing Policy -

[https://www.colesgroup.com.au/FormBuilder/\\_Resource/\\_module/ir5sKeTxxEOndzdh00hWJw/file/Ethical-Sourcing-Policy.pdf](https://www.colesgroup.com.au/FormBuilder/_Resource/_module/ir5sKeTxxEOndzdh00hWJw/file/Ethical-Sourcing-Policy.pdf)

Coles Group Ethical Sourcing Supplier Requirements –

[https://www.colesgroup.com.au/FormBuilder/\\_Resource/\\_module/ir5sKeTxxEOndzdh00hWJw/file/Coles-Ethical-Sourcing-Supplier-Requirements.pdf](https://www.colesgroup.com.au/FormBuilder/_Resource/_module/ir5sKeTxxEOndzdh00hWJw/file/Coles-Ethical-Sourcing-Supplier-Requirements.pdf)

8. If the company has taken steps to identify and address human rights risks, how does it (a) **prioritise** which risks to address first; and (b) assess and track the **effectiveness** of its actions and response?
  - a) Coles takes a risk-based approach to ethical sourcing across all sites that directly supply Coles Own Brand products, meat and fresh produce. We were the first major Australian supermarket to adopt the Supplier Ethical Data Exchange (Sedex), a global ethical supply chain management platform, in 2016.

To monitor compliance with the Ethical Sourcing Policy, we require all Coles Own Brand, fresh produce and meat direct supplier sites to register on Sedex and complete a comprehensive risk assessment. Direct supplier sites include manufacturing sites for finished products, as well as those that process (or harvest) and pack to supply directly to Coles.

As a result of the risk assessment, suppliers are rated as low, medium or high-risk, with medium and high-risk sites required to be audited by an independent external provider. Audit timeframes are specified by Coles and vary depending on peak times for each industry.

These requirements provide Coles with increased visibility of its supplier employment practices and enable us to proactively monitor ethical sourcing risks and compliance with the Coles Ethical Sourcing Policy.

b) Coles also undertakes our own audits to confirm risk assessments, randomly check audit outcomes and respond to specific issues. We use qualified independent auditors for these direct audits.

Reference: <https://www.colesgroup.com.au/sustainability/?page=ethical-sourcing>

9. Per the UN Guiding Principles on Business and Human Rights, does your company have a **grievance/ complaints mechanism** through which workers, including fishers in your supply chains, can raise concerns about human rights? If so, can they access this in their own language and in a way that allows grievances, or concerns, to be reported safely, in confidence and without intimidation? Have any human rights concerns connected with the Pacific tuna sector been reported via the company's complaints mechanism? Please provide details.

In 2015, we established the Coles' Wages and Conditions Hotline for workers in our supply chain including farms, factories and service providers.

Employees who work for a Coles supplier can call 1300 532 515 between 8am-8pm, seven days a week to understand more about their conditions of employment or to report unfair labour practices. Workers for whom English is not a first language, can email

[wageline@coles.com.au](mailto:wageline@coles.com.au) with their telephone number, preferred language and a brief description of their concern.

To date, no complaints have been received by Coles in relation to our Pacific tuna supply chain.

Reference: <https://www.colesgroup.com.au/sustainability/?page=ethical-sourcing>

10. Do you have a corrective or **remediation plan** if instances of modern slavery are identified in your operations, or supply chains? Can you describe it?

Coles classifies instances of Modern Slavery as critical breaches of our Ethical Sourcing Policy and subsequent Supplier Requirements. No critical breaches have been identified in the Pacific tuna supply chain. To ensure workers' rights are upheld and respected throughout our Coles Own Brand supply chains we have established specific remediation Requirements for the different ways Modern Slavery can manifest.

Child Labour Supplier Requirement (these requirements are available to our suppliers through the Coles' supplier portal)

When any instance of child labour is identified, the Coles Own Brand supplier must implement the following remediation steps.

1. The child will be required to immediately cease work, and is to be removed from the workplace. He or she must be given a viable alternative activity and location that is safe and in the best interests of the child.
2. The child's employment must not be terminated. The child must be given access to schooling, paid an ongoing wage and benefits and guaranteed a job at the factory upon reaching the appropriate age.
3. The Supplier must contact the parents or authorised guardian of the child to make arrangements to send him or her into their care as soon as possible.
4. The Supplier must organise reunion of the child with his or her family and have a Supplier representative accompany him or her back to their home. Costs incurred, such as transportation, meals or accommodation, are to be paid by the Supplier.



Coles staff and/or a local NGO expert may be sent to witness the child's return to his or her family.

5. In communication with the child as well as his or her family or authorised guardian, appropriate education should be made available for the child – at least until they are no longer of compulsory school age (formal schooling, transition schooling or vocational training).
6. The Supplier will continue to pay at least the legal minimum wage to the child until he or she is of legal working age OR no longer in compulsory education.
7. The Supplier will offer work to another adult member of the family in the child's place where such other family members exist.
8. The Supplier will be responsible for the child's schooling and bear any expenses related to schooling such as uniforms, supplies, books, etc. They must monitor enrolment and retention of the child in school, including contacting the parents or authorised guardian at least once in every six months.
9. Monitoring of the child's progress at school by the Supplier will be ongoing, until they are no longer of compulsory school age.
10. Supplier must offer re-employment to the child if he or she chooses to return when he or she has reached the minimum legal age.
11. Details of the remediation plan implementation and monitoring must be accurately recorded and kept by the Supplier, including receipts, photo evidence, records and the child's identification information.
12. The Supplier must review and develop a corrective action plan to ensure that their age-verification systems are comprehensive and effective and to prevent the reoccurrence of employing child labour.

#### Child Labour Remediation Follow-up Audit

1. The Supplier must provide Coles with the child labour remediation plan within 30 days of child labour being identified.
2. The Supplier will be subject to a follow-up audit within 3 months of the incident being identified to ensure sufficient actions have been taken to prevent further instances of child labour in the workplace.
3. The Supplier must provide Coles with a summary of remediation plan and monitoring outcomes within 12 months of the incidence of child labour being identified.

4. If the Supplier cannot provide evidence of sufficient action to prevent further instances of child labour, the Supplier will be deemed Not Approved under the Coles Ethical Sourcing Policy. An Not Approved supplier is not authorised to supply any goods or services to Coles.

Forced and Involuntary Labour Supplier Requirement (these requirements are available to our suppliers through the Coles' supplier portal)

When any instance of forced labour is identified, the Coles Own Brand supplier must implement the following remediation steps.

1. The supplier is responsible for taking preventative measures to remove the risk of forced labour. This may include not using recruitment agents sourcing vulnerable foreign workers, directly undertaking or paying an agent directly the cost for recruitment of workers and the direct employment of workers.
2. Any worker found to have entered an employment or contract for services arrangement against their free will must be immediately freed, with no notice period required. Workers must be allowed to freely leave with their earned payment, identity papers and other personal affects.
3. Any worker that has entered the employment or a contract for services freely, but is subsequently found not to be able to leave their employment or contract for services, must be freed after a reasonable notice period, which must not exceed 8 weeks. Workers must be allowed to freely leave with their earned payment, identity papers and other personal affects.
4. All outstanding payments due to workers are to be paid in full (or no later than the next payroll run). Workers must not be coerced to continue working in order to receive any outstanding monies. Payslips and financial records must be made available for auditor review.
5. If the supplier uses third-party recruitment agencies, the supplier must audit these organisations to ensure that hiring and on-going worker management processes (including job advertisements and/or application documents) does not involve any form of forced labour. Audits must include worker interviews. Recruitment agencies audit records must be available for auditor review.

Forced Labour – Withheld Identification Documents (these requirements are available to our suppliers through the Coles' supplier portal)

When any instance of forced labour and withholding of workers passport or identification documents is identified, the Coles Own Brand supplier must implement the following remediation steps.

1. The supplier should communicate to the workers that they are responsible for their own passports and any other identification documents and visa documents.
2. The supplier should communicate this via a written memo on the company letter head in the local language and all employees' native languages. This document should be prominently displayed in the workplace (i.e. in the canteen / hostel / change rooms), and made available for auditor review.
3. The supplier should communicate via meetings with workers that this new procedure is now in place. The factory should provide evidence that these meetings have taken place for auditor review.
4. The supplier should prepare a document stating the names of each of the foreign workers, with their signature against their name, to state that they have, received their passports and any other identity documents back. This document should be made available for auditor review.
5. The supplier should gain agreement with the workers as to how they can best manage the safe keeping of their personal documents such as passports, identification papers and visa documents. Where workers organise their own accommodation, workers can choose to retain and safely store their important documents in their homes or accommodation.
6. Where workers are accommodated by the supplier, the supplier is to make available to the workers an individual lockable cupboard for their documents and other personal affects with the key retained by the workers, or a communal safe for all workers' important documents, where the key is held by an elected worker representative(s). These arrangements must take into account employee's right to privacy under applicable laws.
7. The elected worker representative(s) should have direct access to the safe and not have to contact the management representative for approval. The election process should be documented for auditor review. The supplier should ensure that management of the site hold a spare key in the office (in case other keys are

lost). An additional supporting process is to have a log book to ensure that passports accessed and returned to the safe are documented and verified.

8. Establish a procedure to re-elect worker representatives annually, or in the case that the worker representative leaves the company.
9. All workers should have 24 hour access to their employee representative(s) and management representative should they require access to their passport or other important documents.
10. The supplier may retain the right to request to view employee passports for the purpose of renewing work visas etc. with the relevant government authorities. Upon completion, the passports must be returned to the worker directly or to the agreed accessible safe.
11. In addition, in the case where a supplier engages workers via a labour hire provider, the supplier should require the labour hire provider to agree in writing that any labour hire workers contracted into their facility must comply with rules for protection against forced labour, and that labour hire employees must retain their own passports and any other identity and visa documents at all times. This document should be made available for auditor review.

Bonded Labour – Recruitment fee or deposit (these requirements are available to our suppliers through the Coles' supplier portal)

When any instance of bonded labour is identified, the Coles Own Brand supplier must implement the following remediation steps.

1. 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.
2. All outstanding worker debt must be waived. Payslips and financial records must be made available for auditor review verifying that the worker is no longer in debt.
3. Key employment terms and conditions are to be re-issued to all workers in understandable writing and in their own language via letter/agreement/contract, or as required by law. These documents must be signed by both the worker, the supplier, and if relevant the recruitment agent, and must be made available for auditor review.

4. Outstanding payments due to workers on termination are to be paid in full (or no later than the next payroll run). Workers must not be coerced to continue working in order to receive any outstanding monies. Payslips and financial records must be made available for auditor review.
5. If the supplier uses third-party recruitment agencies, the supplier must audit these organisations to ensure that hiring practices (including job advertisements and/or application documents) does not require workers to lodge a deposit for their employment. Audits must include worker interviews. Recruitment agencies audit records must be available for auditor review.
6. In the absence of ethical recruitment agencies in a country, Coles expects the supplier to undertake as much direct recruitment of migrant workers as possible. A direct recruitment strategy must be made available for auditor review.

#### Forced or Bonded Labour Remediation Follow-up Audit

1. The supplier must provide independent evidence to support that all identified issues have been rectified. This needs to be in the form of a re-audit (at the supplier's expense) from a recognised certification body.
2. The re-audit must include worker interviews (selected by the auditor) to verify that all process has been explained correctly to the worker and that the worker is satisfied the process has been explained correctly.

11. How many **instances** of modern slavery has your company **identified** in 2018 in its own operations (including subsidiaries) or in its supply chains that relate to tuna procurement from the Pacific? Do you know where they occurred and can you describe them? How did the company respond to address the issue(s)?

Coles classifies instances of Modern Slavery as critical breaches of our Ethical Sourcing Policy and Supplier Requirements. No critical breaches were identified in financial year 2017/8.

Reference:

[https://sustainability.wesfarmers.com.au/media/2467/sustainability\\_website\\_2018.pdf](https://sustainability.wesfarmers.com.au/media/2467/sustainability_website_2018.pdf)

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(Please note, Coles was part of the Wesfarmers Group until November 2018)

## Reporting

12. Does the company communicate, or **report**, externally on steps taken to address modern slavery? If yes, please provide details.

Until November 2018, Coles was part of the Wesfarmers Group and as such contributed to Wesfarmers' 2018 Modern Slavery Statement. Reference:

<https://sustainability.wesfarmers.com.au/our-principles/sourcing/ethical-sourcing-and-human-rights/2018-modern-slavery-statement-for-wesfarmers/>

Reference:

[https://sustainability.wesfarmers.com.au/media/2467/sustainability\\_website\\_2018.pdf](https://sustainability.wesfarmers.com.au/media/2467/sustainability_website_2018.pdf)

## Other information

13. Has your company encountered **obstacles or challenges** in implementing its human rights commitments, taking practical action against modern slavery in tuna supply chains and/or in relation to any of the areas mentioned above? If so, please explain and provide details of any strategies to overcome them.

Coles utilises our unique Responsibly Sourced Seafood Program to give us traceability and visibility of our tuna supply chain, which allows us to implement our Ethical Sourcing Program effectively in this supply chain.

14. Does the company participate in any regional, or sectoral, **multi-stakeholder initiatives** that address modern slavery in fishing, eg:
- a) Seafood Task Force;
  - b) Bali Process Government and Business Forum;
  - c) Tuna 2020 Traceability Declaration; and
  - d) other?

If yes, please provide details.

Bali Process Government and Business Forum; -Australian businesses are represented by Fortesque Metals Group in the Bali Process.

Supplier Data Collection: SEDEX (Supplier Ethical Data Exchange)

- <https://www.sedexglobal.com/>

Seafood traceability and transparency: WWF Global Sustainable Seafood Charter

- <https://www.wwf.org.au/ArticleDocuments/360/pub-wwf-coles-sustainable-seafood-charter-1mar11.pdf.aspx>

15. Please provide any **other information** about your company's policies and practices on human rights that may be relevant.

Thank you.

### **Further information and guidance:**

- [UN Guiding Principles on Business and Human Rights](#)
- [OECD Guidelines for Multinational Enterprises](#)
- [UK Modern Slavery Act \(2015\)](#)
- [Californian Transparency in Supply Chains Act](#)
- [ILO Forced Labour Convention, 1930 \(No. 29\)](#)
- [ILO Declaration on Fundamental Principles and Rights at Work](#)
- [ILO Work in Fishing Convention, 2007 \(No. 188\)](#)
- [Seafood Task Force](#)
- [Bali Process Government and Business Forum](#)
- [Tuna 2020 Traceability Declaration](#)
- [Mapping of Sustainable Development Goals to human rights instruments and issues](#)