

Wesfarmers Ltd./Coles

TICKER
ASX:WES

MARKET CAPITALIZATION
US\$40 billion

HEADQUARTERS
Australia

COMPLIANCE

UK Modern Slavery Act: [Disclosure available, but not compliant](#)

California Transparency in Supply Chains Act: [Not applicable](#)

COMMITMENTS

[None](#)

OVERALL RANKING

9 out of 38

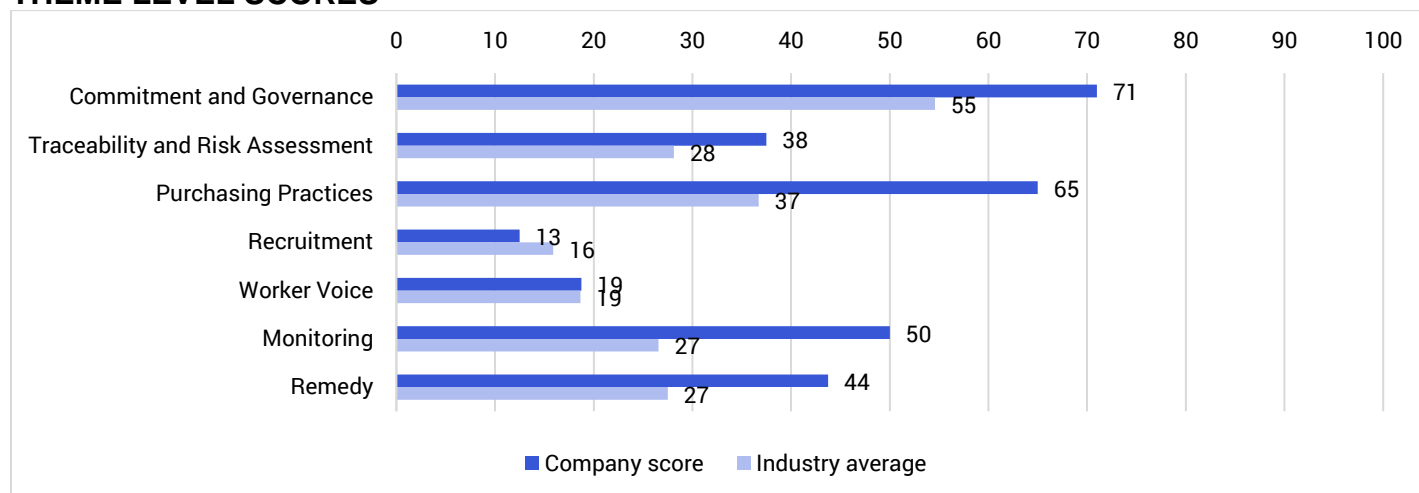
OVERALL SCORE

43 out of 100

SUMMARY

Wesfarmers Ltd. (Wesfarmers), an Australian company whose business operations include the supermarket retailer Coles, ranks ninth out of 38 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except recruitment. Notably, the company discloses that it makes a Wages and Conditions Hotline available to farm and factory workers in its supply chains. KnowTheChain identified one allegation of forced labor in the company's supply chains. The company disclosed a public response to the allegation and noted that it is conducting an investigation into the supplier associated with the allegation, but it does not disclose remedy outcomes for workers. Additional steps the company could take to address forced labor risks in its supply chains include disclosing policies and practices on the themes of recruitment, worker voice, and remedy.

THEME LEVEL SCORES



Research conducted through March 2018, or through June 2018 where companies provided additional disclosure or links. For more information, see the full dataset [here](#).

LEADING PRACTICES

Grievance Mechanism: Coles discloses that it has set up a "Coles Wages and Conditions Hotline" for farm and factory workers working for its Australian suppliers, to ensure "workers in [its] supply chains are treated fairly". The company discloses the telephone numbers are available seven days a week and workers can call "to understand more about their conditions of employment or to report unfair labor practices." The company discloses that it has a poster to be displayed in Coles Brand fresh produce and meat processing sites which includes details about the hotline. The poster comprises multiple languages and provides an option for suppliers' workers who do not speak English to submit their contact details, preferred language, and their concerns via email.

NOTABLE FINDINGS

Management and Accountability: Wesfarmers states that human rights, including forced labor risks in supply chains, are managed at the divisional level by senior management. It discloses that each business has different approaches to monitoring human rights compliance in its supply chains, for example, making use of the Supplier Ethical Data Exchange (SEDEX). The company notes that ethical sourcing and human rights issues are overseen by the Wesfarmers Audit and Risk Committee, which is a committee of the Board of Directors.

Purchasing Practices: Both Coles and Wesfarmers disclose that they use certification that includes forced labor for commodities such as cocoa, coffee, tea, seafood, and palm oil. Wesfarmers states that it trains relevant team members on the human rights implications of making short-notice purchasing decisions. Coles discloses that it has long-term agreements in place with Australian farmers and producers to "provide them with certainty and confidence to invest in growing their business".

Corrective Action Plans: Wesfarmers discloses that suppliers with critical or major non-conformances will have four months to implement corrective action. It notes that supplier sites with critical non-conformances will be marked as "not approved" until they are resolved. The company states that it will "randomly check audit outcomes" and that third-party auditors must upload evidence that corrective actions have been implemented for suppliers to be marked as "approved" for business. Wesfarmers further discloses that business with suppliers can only be commenced once they are "approved" under the company's Ethical Sourcing Policy.

OPPORTUNITIES FOR IMPROVEMENT

Recruitment: The company may consider developing and disclosing a policy that requires direct employment in its supply chains. In addition, the company may consider requiring recruitment agencies—and, where relevant, employment agencies—in its supply chains to uphold workers' fundamental rights and freedoms. The company is further encouraged to ensure that employment and/or recruitment agencies used in its supply chains are monitored and to provide details of how it supports ethical recruitment in its supply chains (for example, by using ethical recruitment agencies or supporting the development of ethical recruitment schemes).

Worker Voice: To prevent forced labor in its supply chains, the company is encouraged to work with relevant stakeholders to engage with and educate workers in its supply chains on their labor rights. The company is further encouraged to work with suppliers to improve their practices in relation to freedom of association and collective bargaining and to work with local or global trade unions to support freedom of association in its supply chains. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing.

Remedy: The company may consider establishing a process to ensure remedy is provided to workers in its supply chains in cases of human trafficking and forced labor, and disclosing details on this process, such as timeframes, engagement with affected stakeholders, responsible parties, or approval procedures. To demonstrate to stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)