



## STATEMENT

18 February 2020

### AWARD COVERED SALARIED TEAM MEMBER REVIEW

Over recent months, various Australian companies have announced reviews of their remuneration frameworks for salaried employees. Coles has been conducting its own review of award covered salaried team members, which is ongoing. This review does not relate to team members who are remunerated in accordance with approved enterprise agreements and who comprise over 90% of our workforce.

By way of an update, we have identified that for less than 1% of our total team members there are some differences between their remuneration and the General Retail Industry Award (GRIA):

- The review of our award covered salaried team members in our Liquor business is nearing completion. For approximately 5% of salaried Liquor managers there is a salary difference relative to the GRIA. Coles has taken a provision of \$3 million for estimated related payments in Liquor over the last 6 years, and a further provision of \$1 million for interest and on costs.
- The review of our award covered salaried managers in our Supermarkets business is still in progress. At this stage, for approximately 5% of our salaried Supermarkets managers there is a salary difference relative to the GRIA. Coles has taken a provision of \$12 million for estimated related payments in Supermarkets over the last 6 years, and a further provision of approximately \$4 million for interest and on costs.
- We do not have any award covered salaried team members in our Coles Express business.

Coles Group CEO Steven Cain said: "We aim to make Coles a great place to work, and apologise to those team members who have been unintentionally affected.

"We are working at pace with a team of external experts to finalise our review. Once completed we will contact all affected team members, both current and former, to remediate any identified differences in full.

"Coles has implemented steps to improve our systems and processes."

Any former salaried team members with queries in the interim can contact 1800 061 562.

For any media enquiries, please contact Blair Speedy, tel: +61 431 960 249.